

# Paisley parade of 500 men brings swift condemnation

The Rev Ian Paisley's parade of "loyalist" strength in Ulster yesterday has brought swift condemnation. In the demonstration, 500 men were drawn up and, at a whistle blast, apparently raised

firearms certificates in their right hands [Report, page 3]. The Government said any illegal act would be dealt with and the Official Unionists condemned the parade as a publicity stunt.

## Minister refuses to ban UDA

Defence Association, which has said it will contest May's local elections. There was concern yesterday that members of paramilitary groups, even members of the Royal Ulster Constabulary or the Ulster Defence Regiment, might have been among the 500 men. Five selected journalists, including myself, were taken to see the demonstration of strength. We heard a bitter and furious attack on Mrs Margaret Thatcher's talks with the Prime Minister of the Irish Republic last year and the joint studies which are now taking place. Mr Paisley said that Northern Ireland's constitutional position was on the negotiating table. He demanded that the talks should cease immediately. He said that the 500 men were prepared to resist to the death any attempt to form a united Ireland and that they represented thousands of "loyalists" who would defend the union with Britain. He added: "We will shortly challenge the Government to interfere with us and our province if they dare and we will with equanimity await the result". The Protestant News Letter newspaper commented yesterday that a successor to Lord Carson's Ulster Volunteer Force had been born and that the mantle of founder had been assumed by Mr Paisley. With the H-block issue blowing up again and another hunger strike threatened in three weeks Mr Paisley's action means that the screw is being turned relentlessly on the Government from both sides of the political divide. The Social Democratic and Labour Party said that the province had witnessed a paramilitary force intimidating the British Government and the people of the province. Mr Pitt, now an independent MP for Belfast, West, said that the show of strength could not be ignored. The Government should find out what guns the 500 men possessed (journalists were given an opportunity to examine the certificates the men brandished) and whether they belonged to the security forces. When Mr Paisley paraded the men he was careful to insist that no weapons were present or uniforms worn. It was not an army or paramilitary force and no paramilitary groups were involved. When he was asked directly if members of the security forces were present he refused to answer. The Official Unionist, who oppose Mr Paisley's Democratic Unionist Party said through one of their leading figures, Mr William Thompson, that the incident was a publicity gimmick designed to demonstrate that Mr Paisley was an "immoderate" day. Lord Carrington, the Grand Old Duke of York, who had led his men up the hill, would march them down again after the elections in May. Whitehall reaction: MPs at Westminster said that Mr Paisley was indulging in an electioneering stunt aimed for the local elections (Our Political Staff writes). Some members were perturbed at the development and it is expected that it will be raised in the Commons on Monday. Mountainside parade, page 3. Leading article, page 15.



The Arab dhow, Sinbad, built of string, wood and coconut to prove the existence of a ninth century trade route between Oman and China, off Sri Lanka, its first landfall on the route.

## Poland dismisses four officials to end strike

Warsaw, Feb 6.—An 11-day strike by 200,000 workers in southern Poland ended today with the Government capitulating to demands that four local officials be removed for alleged corruption and abuse of power. Sources in the Bielsko-Biala province said that the Pope had personally intervened in the dispute by asking local church leaders to mediate, and as a result, Bishop Bronislaw Dabrowski had taken part in negotiations. "This is a big victory for the entire nation," Mr Lech Walesa, the leader of independent Solidarity trade union organisation, told workers after the all-night negotiating session. Local union leaders signed the agreement at 4 am and called off the strike two hours later. "A dangerous social conflict was defused in the name of the good of the country," Bishop Dabrowski said. The Government said no workers would be punished for joining the strike, which had virtually paralysed the province for 11 days. At least 120 plants have been closed, including the large Polski-Fiat motor factory.

## Information Bill looks doomed to failure

By Hugh Noyes Parliamentary Correspondent Westminster. The Freedom of Information Bill was effectively killed yesterday in the Commons when it failed to receive its second reading. Although the private member's measure, which was opposed by the Government but had a good chance of becoming law if it had been sent on to its committee stage was not defeated on second reading, the adjournment of the debate means that instead of having a priority position in the list of private members' Bills, it will go to the bottom of the list and is unlikely to be heard of again during the present session of parliament. The motion to close the debate and so allow a second reading vote was lost by 172 votes to 111, a majority against clause 61. Mr Barney Hayhoe, Minister of State, Civil Service, began his criticisms of the Bill some time ago, but yesterday he was particularly scathing in his attack on the Bill's provisions for the release of information. He said that the Bill would be a "catch all" measure, which would be a disaster for the Government. He said that the Bill would be a "catch all" measure, which would be a disaster for the Government. He said that the Bill would be a "catch all" measure, which would be a disaster for the Government.

## 3L car men reject strike action over dismissals

From Clifford Webb Midlands Industrial Correspondent Birmingham. A mass meeting of employees BL's Longbridge car plant yesterday rejected a strike to secure the reinstatement of six stewards. It was the second ballot for shop stewards' orders this week. On Monday the works committee led by Mr Jack Adams, a plant convenor, had proposed a meeting of more than 400 shop stewards to back a campaign of selective strikes. Stewards insisted, however, at the last vote that the decision be put to the 15,000 work force. In the event only 5,000 came yesterday's meeting on a rainy field. Mr Adams delivered a detailed review of the circumstances leading to the strike of November 21 and dismissals that followed. After 15 minutes groups of workers began to get restless and chanted: "Vote, vote, vote". Mr Adams pressed on. He freely admitted that disgraceful things happened

## Lord Denning says civil liberties official was guilty of a serious contempt

By Frances Gibb. Miss Harriet Harman, legal officer of the National Council for Civil Liberties, was guilty of a serious contempt of court in releasing Home Office documents read out in open court to a journalist, the Court of Appeal ruled unanimously yesterday. Lord Denning, Master of the Rolls, said he regarded the use made of the documents by the journalist in the case to be "highly detrimental to the good order of our society". He added: "They were used so as to launch a wholly unjustified attack on ministers of state and high civil servants, who were only doing their very best to deal with a wicked criminal who had harassed society and was serving a long sentence for armed robbery." Miss Harman was responsible for that use. She had abused her privileged position in releasing confidential documents by allowing a journalist free access to them, not caring how he would use them. "To my mind her part in this, her conduct, was not 'extremely trivial' as The Times described it," he said. "It was a serious contempt by a solicitor of the Supreme Court, which is much to be regretted."

## Missiles plea to Dutch by Mrs Thatcher

The Hague, Feb 6.—Mrs Thatcher tonight made an appeal to the Netherlands to allow new nuclear missiles to be based on Dutch soil as part of a Nato modernisation programme. Speaking at a brief press conference here after talks with Mr Dries Van Agt, the Dutch Prime Minister, she said the West had to upgrade its weaponry to counter the growing military might of the Soviet Union. "If you value your way of life, the freedoms we have in the West you must be prepared to defend it," she said.

## Fraser empire revalues to beat Lonrho

Revaluation of House of Fraser operates, will form the basis of new bid to defeat a Lonrho takeover. The valuation is believed to be £12m on Harrods alone and £460m on all the 111 department stores. Harrods has raised its stake in Fraser to 29.9 per cent, just below the 30 per cent level which would have made a bid obligatory. It acquired 1000 shares at 142p each, 3p less than its offer price. The new valuation would give the group an asset of 306p a share, more than twice that on offer. Page 19.

## Kidnap of Jordan envoy in Beirut

Pro-Syrian militia claim responsibility for kidnapping the Jordanian chargé d'affaires from his Beirut apartment. They have threatened to murder him unless the Amman authorities return two defecting Syrian air force pilots. Jordan has hinted at Syrian Government connivance. Page 4.

## Fire service pay conflict likely

A decision by the local authorities to withdraw formally from the 1977 formula linking firemen's earnings with those of skilled workers has raised the prospect of renewed pay conflict within the fire service later this year. The employers say that future pay talks should take account of circumstances at the time. Page 2.

## Citizen Bill move

An amendment to the Nationality Bill tabled by the Government proposes that any child born in the United Kingdom who does not acquire British citizenship at birth shall have the right to obtain it after 10 years' continuous residence irrespective of the parents' status. Page 2.

## £500m torpedo bids

Bids have been submitted for a £500m contract for a heavyweight torpedo to replace the Tigerfish, which has been in service in the Royal Navy's submarines for only eight years. Page 3.

## Tehran violence

Several people were injured in violent Tehran street clashes as supporters of two left-wing groups clashed with Muslim fundamentalists. Violence erupted after the leftists defied a government order prohibiting them to demonstrate. Revolutionary guards went into action and dispersed the crowd with tear gas. Page 5.

## Fishermen's dispute

The inshore fishing fleets of England, Northern Ireland and Scotland are likely to stay in port until Thursday pending the result of talks on the common fisheries policies. Plans have been made for other action including a demonstration in London and picketing if no satisfactory news is received. Page 3.

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## HOME NEWS

## Fire service conflict likely over move to end pay formula

By Donald Macintyre  
Labour Reporter

The prospect emerges of renewed pay conflict within the fire service later this year after a decision by the local authorities to withdraw formally from the 1977 formula linking firemen's earnings with those of skilled workers.

The Fire Brigades' Union successfully preserved the formula for the present pay round when they won a two-stage 18.6 per cent pay deal in December. A series of one-day strikes took place in response to the authorities' initial 6 per cent offer.

The Conservative-dominated employers' body has voted to give notice of withdrawal from the formula, embodied in the agreement that ended the 1977-78 strike that lasted nine weeks.

Mr Brian Rusbridge, secretary of the employers' side, says in a letter to the union and distributed to all 64 fire authorities that the local authorities consider that "in future pay negotiations should be conducted according to the circumstances prevailing".

It adds that "as the agreement takes no account of the employers' ability to pay, supply and demand, and productivity considerations, it is inflexible to be sustained".

The letter adds that the employers want more power in fixing rates, as well as lifting the six-year union ban on voluntary overtime.

1982-83 pay year. That would take them out of their present exposed position at the beginning of the annual public sector wages round.

The employers will discuss their decision with the union on February 16 and will outline in detail several efficiency measures they are seeking.

It is believed that the employers may aim to hold firemen to a 6 per cent rise in November, 1981. Government assumptions at present are that that pay level will form part of the calculations for the rate support grant in 1982-83 as well as in the current financial year.

Although the employers made it clear in December that they would not guarantee to honour the formula next year, the move is likely to provoke hostility at the union's annual delegate conference in May. That will decide on the union's response.

One imponderable in what is certain to be a critical precursor to next year's wage round is the impact of the county council elections in May. A big swing away from the Conservatives could mean Labour dominating the employers' body.

The employers want more stations to be manned in the daytime only, particularly in small towns and some suburban areas. They also want to vary the number of men on shifts to match the level of activity and to give management more power in fixing rates, as well as lifting the six-year union ban on voluntary overtime.

## Ambulancemen reject offer of 6% increase

By Our Labour Staff

Leaders of 17,000 ambulancemen are to seek urgent talks with Mr Patrick Jenkin, Secretary of State for Social Services, after rejecting a 6 per cent pay offer at a meeting yesterday.

The Department of Health and Social Security employers' side, who will also be seeking talks with Mr Jenkin, made the offer although they told union negotiators that they had still not formally received details of the cash limits under

which they would be operating. Mr Roger Poole, assistant national secretary for ambulancemen in the National Union of Public Employees, said that the unions wanted to maintain the ambulancemen's position in the pay league afforded by the end of the 1978-79 winter. That would call for a rise of about 18 per cent.

Leaders of 200,000 hospital ancillary staff, who were made a 6 per cent offer in similar circumstances, expect to meet Mr Jenkin on Monday.

## 'Times' unions offer disputes pact

By Our Labour Staff

Printing unions yesterday agreed their own version of a draft disputes agreement for The Times which pledges continuous production but does not contain clauses directly penalising employees who take part in unofficial stoppages and their colleagues.

After five hours of talks yesterday national officers of the four main printing unions and the three covering skilled ancillary workers agreed an eight-point plan which will be put to Mr Rupert Murdoch, prospective owner of The Times, on Monday. The document is also expected to be put to the Newspaper Publishers' Association as the union drive to agree an agreement aimed at curbing unofficial disputes throughout Fleet Street.

The document, which falls short of what News International has been seeking from a graded disputes procedure starting with talks between a union official branch representative and departmental managers, and ending at the final stage with the intervention of the Advisory, Conciliation and Arbitration Service or an independent arbitrator.

It is understood to undertake "the union will be no stoppage of work or lockout of either part or general character, eg, holding of chapel meetings which disrupt production without management agreement", or interference with normal working or other industrial action which would be agreed procedure being exhausted.

Mr William O'Neill, one of the senior Murdoch negotiators

## Strike threat over BBC deletions in film

By Kenneth Gosling

Current affairs journalists employed by BBC Television voted yesterday to start a protest campaign, which could include striking, in protest at the alleged censorship of a Panorama film on the security services do not produce a satisfactory output.

A mandatory meeting attended by 120 members of the National Union of Journalists unanimously agreed to a motion that emphasized that journalists were not seeking to interfere as trade unionists with the editorial process at the BBC.

But the motion asserted the journalists' right to comment and, if necessary, to protest at any editorial decision that might conflict with the NUJ's ethical code of conduct. The code requires members "to strive to eliminate distortion, news suppression and censorship".

Sir Ian Gresham, director-general of the BBC, is to hold talks on Tuesday with Mr Kenneth Ashton, general secretary of the NUJ, and Mr Anthony Hearn, general secretary of the Association of Broadcasting and Allied Staffs.

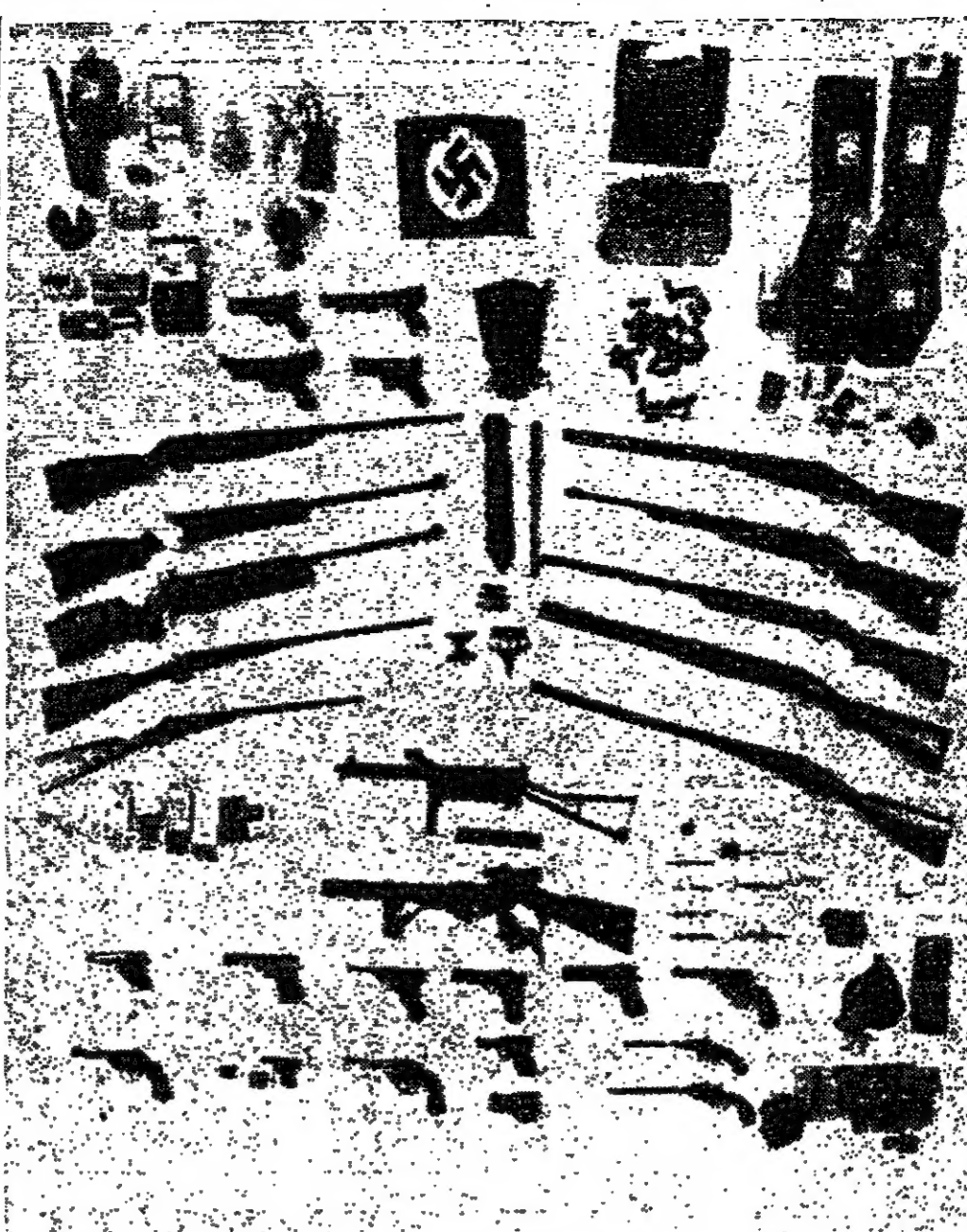
Yesterday's meeting, which expressed concern at cuts made in the projected programme, was given details of the director-general's alleged interference with the way Panorama journalists went about their work. At one stage, it was said, Sir Ian instructed them not to approach their contacts in the secret services or even those who had left the services.

A union spokesman said later that one question the talks would be concerned with was whether the cuts resulted from the director-general's editorial judgment or whether there had been outside interference.

Assurances would also be sought as to whether not only the security services but also other realms of journalistic investigation were "off limits" to NUJ members. The journalists also wanted to have the original film resubmitted for showing with minor amendments.

The cuts made, it is alleged, include interviews with people who had not said anything prejudicial to state security. One quote alleged to have been deleted is, "the KGB is a threat to the West".

Letter, page 15



An arms cache found by West Midlands Police officers in their investigations.

## Gun training given to neo-Nazis

By Peter Evans  
Home Affairs Correspondent

A number of prominent neo-Nazis attended a weekend training course organized by Column 88, the neo-Nazi group, near Crediton, Devon, in April, 1979, an article in Police Review says this week.

Those attending were instructed in the use of revolvers and rifles, the magazine claims on the basis of information from private sources.

The article adds to evidence about rightwing extremism which has convinced Mr William Whitelaw, the Home Secretary, to agree to a Home Office study of racist organizations and the feasibility of special police units to monitor and investigate attacks on ethnic minorities.

His decision was taken after discussions with the Joint Com-

mittee against Racism, which reported a big increase in racist attacks on people, property and places of worship. At least 1,000 such attacks had taken place in the past 18 months, it said.

The Home Office will be concerned about allegations of links between European right-wing movement, Police Review says this week that the 1980 Nazi rally at Diksmuide in Belgium was attended by British Movement men and women.

"The highlight is reported to have been a meeting of British, French, Italian and American fascists to discuss methods of transporting the arms freely available through their United States sympathizers."

Last month, a member of the British Movement who stored guns and ammunition at his parents' farm and distributed racist stickers was jailed for seven years in Birmingham. Roderick Lewis Roberts was said by the prosecution to have been the quartermaster for a 20-member branch of the British Movement in the West Midlands.

Mr Norman Lewis, a former

highly placed member of the British Movement, who has broken with them, told TV Eye, in a programme broadcast by Thames Television on December 4, that the movement provided a military training. "A lot of the people that instruct one people in training are ex-Army or ex-military in some form."

The training, he said, usually took place weekly in Britain, but people went to special camps, normally for a month, on the Continent. Asked about arms, he said they were kept in most of the large towns.

Mr Lewis said he believed that crimes such as the Paris synagogue bombing in October and the bombing at Bologna railway station, would become more common.

There was great pressure, he said, on Mr Michael McLaughlin, one of the British Movement's leaders, to show Britain's strength. Mr McLaughlin, when interviewed, said that violence would not come from his people but from the left.

## Citizenship rules for children amended

By Peter Evans  
Home Affairs Correspondent

All children born in the United Kingdom will have the right to acquire British citizenship, provided they fulfil a residence qualification, under an amendment to the Nationality Bill tabled yesterday by the Government.

Protests inside and outside Parliament greeted the Bill's intention that British citizenship should be acquired automatically at birth only by children born here, one of whose parents must be a British citizen, or who was settled here.

The Home Office was worried that now more people are able to travel by air more children would be born here in transit, as it were, or during short visits.

The proposed change would not lead to the automatic acquisition of citizenship by every child. But the amendment to clause 2 of the Bill would allow any child born in the United Kingdom who does not acquire British citizenship at birth the right to obtain it after 10 years' continuous residence here from the time of his birth, irrespective of his parents' status.

A second proposed amendment is to clause 2. The Bill as introduced would have meant that people who acquired British citizenship by naturalization or registration would have been unable to transmit British citizenship to their children born abroad.

The Home Office says that the change now proposed would, broadly speaking, enable those citizens a registration or naturalization to transmit their citizenship to their children born overseas.

Describing the proposed changes as fundamental, Mr Roy Hattersley, opposition spokesman on Home Affairs, said that the Labour Party had continued to denounce "those parts of the Bill the Government now intended to drop. The Government's agreement to make the changes was a victory for the unremitting campaign by the Labour Party and ethnic groups."

Though the proposed changes improved the Bill, it still contained many unacceptable provisions. Proposals welcomed: The Commission for Racial Equality said: "The changes are a step in the right direction and will be welcomed in all quarters (the Press Association reports)."

It said: "We feel there are other clauses which the Government should remove to take the tension out of the debate. One of the main remaining points is the proposal for three different types of citizenship. There should be only one."

Letters, page 15

## In brief

## Sikh nurse wins trouser ruling

An industrial tribunal upheld the claim of a Sikh Miss Tajinder Kaur, of S. don, that Kingston and Richmond Area Health Authority was guilty of racial discrimination in rejecting her for wearing a turban as a nurse because religion obliged her to wear trousers.

In their judgment, released yesterday, the tribunal recommended that the health authority should within months delete from its regulations the general requirement that female nurses should refrain from wearing trousers.

## £3.120 bill for student

Manchester University deans are being charged £3 for damage caused during a sit-in in November, 1979, money has been deducted from the student union's £25 capital spending fund.

## Peter Sutcliffe reman

Peter William Sutcliffe, 35, a lorry driver, of G. Lane, Heaton, Bradford, who accused of murdering queline Hill, a Leeds University student, was again remanded in custody for a week by 3 magistrates, west Y shire, yesterday.

## New college rejected

Mr Mark Carlisle, Sec of State for Education Science, has told Dudley Education Authority, West Midlands that he cannot approve its plan to transfer sixth-formers to secondary schools in Halesowen area to a new college for 16 to 19-year-olds.

## Woman murder char

John Luckhurst, 17, of Thorn Estate, P. Kent, was remanded in custody to a date to be fixed at 3 stone Crown Court yesterday charged with the murder of Gwendoline, aged 79.

## Doctor suspended

Dr Leonard Arthur, 49, of Church Broughton, W. shire, who is on bail charged of murdering a 23-year-old woman, has been suspended on full pay by employers, Trent Reg Health Authority.

## Welsh arson claim

A Welsh group called 50 Glyndwr, after the warrior liberated Wales from English 600 years ago, a day claimed responsibility for arson attacks on holiday h and boats.

## 'Daily Mail' pay de

Journalists on the Daily yesterday accepted a pay increase of more than 14 per cent, 15 per cent a pay backdated to January 1.

## Playboy chief better

Mr Victor Lowmes, head of Playboy International, who turned head of a riding on Thursday, was in a com able condition at the Rad Infirmary, Oxford, last nig

## AUEW post retains

Mr John Baldwin, 49, has been re-elected general secretary of the construction of the Amalgamated Union of Engineering Wor

## Bombs in cottages

Incendiary bombs were pl in two holiday cottages Pentre Ifan, near F. Dyfed, yesterday. One exploded, causing minor damage. No was hurt.

## Shipowners and union go to ACAS today

By David Felton  
Labour Reporter

Seamen's leaders and the shipping employers go to the Advisory, Conciliation and Arbitration Service today to seek a formula to try to settle the month-long dispute. Both sides doubt that a settlement can be reached.

The National Union of Seamen is expected to seek a negotiated settlement above the 12 per cent offer made by the employers, which it has already rejected. Should the employers suggest that the dispute be settled through arbitration the union may insist that the 12 per cent offer is laid on the table on account.

The General Council of British Shipping is expected to press the union to negotiate a restructuring of the 12 per cent offer on the basis that that is the most that shipowners can afford. Union officials at today's talks are expected to reject that suggestion.

## Mr Steel sets out priorities for democratic alliance

By Michael Hatfield  
Political Reporter

Mr David Steel, leader of the Liberal Party, last night laid down national priorities for any coalition with the Social Democratic Party and the next general election.

They included a programme of basic political reform including "crucially" as he put it, the introduction of a proportional voting system upon which none of the so-called gang of three has committed itself.

Others are a strategy for economic and industrial recovery, along the lines of the Liberal 10-point programme announced in January, which have been welcomed by some on the Council for Social Democracy; multinational economic cooperation within the EEC and wider groupings; and partnership in industry, trade and agriculture.

Mr William Wrigglesworth, Labour MP for Teeside, Thora-

who continued talks with chapels yesterday said, last night he remained hopeful of concluding agreements by Thursday.

Despite the absence of what the unions describe as penalty clauses from their document it is thought that some union officials might be prepared to consider during negotiations a form of automatic sanction against employees who take part in unofficial stoppages.

Under the News International proposal it is understood that employees taking unofficial action would lose a day's pay on the first night. If the stoppage continued to a second night, members of the same union would be suspended on basic rates. On a third night all printing works would be suspended on basic rates.

Mr Wedgwood Benn told a meeting in Gloucester last night: "The British people will have to choose whether they want to support the Labour Party or whether they want to support a coalition of the three parties, with candidates standing under different labels, but all secretly agreeing on the same, essentially, Tory, policies."

"Duty to try": The Council for Social Democracy has a duty to try securing new in British politics, even if it turns out to be the harebrained and disastrous. Mr William Rodgers, one of the gang of three, told Oxford University's Fabian Society yesterday (the Press Association reports).

## Catholic schools want to keep sixth forms

By Diana Geddes  
Education Correspondent

Radical proposals to reorganize Liverpool's 39 selective Roman Catholic secondary schools into 12 comprehensive schools for pupils aged between 11 and 18 have been put forward by a working party and approved by the Roman Catholic Archbishop of Liverpool.

The church is asking for comments on its proposals by the end of next month. It hopes to implement the scheme in full operation by September, 1982.

It is particularly interesting that at a time when so many authorities are considering abolishing sixth forms in comprehensive schools in favour of the scheme in full operation by September, 1982.

## Youth in siege sent to borstal

Neville Johnston, aged 19, of Southwark, London, who, armed with a broken bottle, held Mr Basil Collett, a probation officer, hostage for five hours, at a court in Richmond upon Thames last August was sent to borstal at the Central Criminal Court yesterday after he had admitted "stealing and imprisoning Mr Collett".

He did it because he was frustrated when magistrates adjourned a case in which he was accused of taking a car, the prosecution said.

## DPP favours earlier action on police complaints

By Stewart Tendler

The investigation of crimes committed by police officers could be improved by using more officers from other forces and by earlier liaison with the Director of Public Prosecution's office, Sir Thomas Hetherington, the DPP, said yesterday.

Interviewed on London Week-end Television's London Programme Sir Thomas said that there was much to be said for bringing in more officers from outside forces to check complaints against a particular force. Earlier "links" with the DPP's office could mean inquiries were directed in such a way as to lead to prosecution.

"There are guilty policemen going free just as there are guilty criminals going free but I do not believe the proportion of policemen who are going free for offences which they have committed is any higher."

The lack of confidence in the police had been encouraged by certain elements in society: "the more violent anarchist elements" and those seeking to defend individual rights.

The DPP sympathized with them. "They concentrate on looking after the individual who is up against the police rather than thinking of the interest perhaps of the same extent of all of us in the community who rely on the police."

Mr Thomas said many serious allegations against the police did not lead to court; but the same standards and tests were applied to those cases as were applied to others.

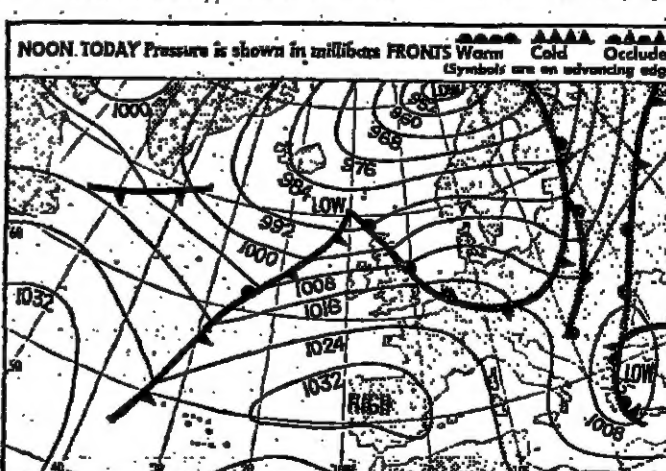
## Security engineers helped burglars break alarms

By Kenneth Richardson, for the prosecution, said the men, who both worked for ADX security, were recruited separately to assist the burglars by telling them how to deactivate and neutralise the alarms.

The leader of the burglar gang was Michael Gervaise, now awaiting sentence after pleading guilty to burglary charges amounting to £7m.

Counsel said there were successful burglaries at high-class houses as well as a film burglary at the Richmond Metal Box Company.

## Weather forecast and recordings



Today	Sun rises:	Sun sets:
	7.29 am	5.01 pm
	Moon rises:	Moon sets:
	8.57 am	8.21 pm
First quarter: February 11.		
Lighting up: 5.31 pm to 6.58 am.		
High water: London Bridge, 3.21 am, 7.4m; 3.46 pm, 7.5m. Avonmouth, 8.56 am, 13.8m; 9.17 pm, 12.6m. Dover, 12.15 am, 5.6m; 12.33 pm, 6.7m. Hull, 7.55 am, 7.36m; 8.05 pm, 9.3m. Liverpool, 12.58 am, 9.3m; 12.55 pm, 9.8m.		

Tomorrow	Sun rises:	Sun sets:
	7.28 am	5.03 pm
	Moon rises:	Moon sets:
	9.40 am	8.40 pm
First quarter: February 11.		
Lighting up: 5.33 pm to 6.56 am.		
High water: London Bridge, 3.59 am, 7.4m; 4.27 pm, 7.4m. Avonmouth, 9.37 am, 13.8m; 9.57 pm, 13.4m. Dover, 12.57 am, 5.6m; 1.17 pm, 6.5m. Hull, 8.34 am, 7.6m; 8.44 pm, 5.2m. Liverpool, 1.19 am, 9.3m; 1.35 pm, 9.7m. 1 ft = 0.3048m. 1 m = 3.2808ft.		

WEATHER REPORTS YESTERDAY MIDDAY	C	Cloud	F	Fair
Alps	12	30	12	30
Amsterdam	12	30	12	30
Antwerp	12	30	12	30
Athens	12	30	12	30
Bombay	12	30	12	30
Buenos Aires	12	30	12	30
Calcutta	12	30	12	30
Canton	12	30	12	30
Cebu	12	30	12	30
Colon	12	30	12	30
Hankow	12	30	12	30
Harbin	12	30	12	30
Hong Kong	12	30	12	30
Kobe	12	30	12	30
London	12	30	12	30
Lyons	12	30	12	30
Manila	12	30	12	30
Medan	12	30	12	30
Shanghai	12	30	12	30
Singapore	12	30	12	30
Sourabaya	12	30	12	30
Tientsin	12	30	12	30
Yokohama	12	30	12	30

## Judge says case has nothing to do with press freedom

Continued from page 1

House of Lords, when it came to the Commons, to cover this point of law, he said.

The case arises from another action brought by a former prisoner who tried unsuccessfully to sue the Home Office for his detention in a special control unit designed for troublemakers. Miss Harman acted as his solicitor.

After the case, heard last year, but before judgment, she allowed Mr Leigh to see Home Office documents released to her by an order of discovery and read out in open court. They formed the basis of an article highly critical of Home Office policy on control units.

"I cannot accept that argument for one moment," he added. "It is one of our fundamental human rights that everyone has a right to privacy, included in which is a right to his confidential documents."

Lord Justice Dunn said the case had nothing to do with the freedom of the press or communication but with the conduct of a solicitor in litigation and Miss Harman had acted "unprofessionally and irresponsibly".

Mr Ronald Knowles, press officer of the National Union of Journalists, said Lord Denning's judgment ignored the fundamental justification for the laws of contempt, which was to protect the administration of justice.

Law Report, page 6

## MPs assert right to information

Continued from page 1

suggested that it would open up an informed dialogue between the Government and the citizen.

Throughout the day the battle raged in an amicable and civilized manner between those who supported the Government's inherent and inborn disapproval of disclosing almost anything and those under Mr Horder's banner.

Mr Charles Irving, one of the freedom fighters on the Conservative benches, must have sent a tremor through what he described as the stagnant and musty corridors of power by suggesting that Cabinet and ministerial committee meetings should be open to public view.

Then there was Sir Hugh Fraser, Conservative MP for Stafford and Stone, who described himself as an authoritarian who was on this occasion siding with the agitators. Sir Hugh pointed out that at the moment no one knew what

the law was over official secrets and it was time that some sort of order was put into the system.

On the Opposition benches there was no shortage of supporters for the Bill. Mr Samuel Silkin, Labour's former Attorney General, sided with the angels.

Mr Silkin pointed out that the principle of one man, one vote could not be properly implemented unless that man was properly and fully informed.

From the Liberal benches, Mr Clement Freud, while agreeing that civil servants were charming people of the highest integrity, gave a warning that if there was one class of people to whom this Bill was anathema, it was the Civil Service.

One of the more powerful voices on the other side of the argument came from Sir Angus Maude, who has only recently visited the darker recesses of the Whitehall corridors and who, in the view of many, was somewhat inappropriately named as the Cabinet minister

in charge of government information.

He said that if Cabinet and Cabinet committee meetings and documents were not secure, the decision-making process was pushed further and further back from Cabinet to Cabinet committee to two or three people.

Background document: To coincide with the debate on the Bill, the Government released a background document yesterday under the Croham directive on open government, giving its estimate of the cost of implementing the measure should it become law (Peter Hennessy writes).

The figure for examining a personal file to remove information exempted from release by the Bill would be £750. A policy document containing little sensitive material in need of retention would be about £70 with the figure rising to £200 depending on the delicacy of its contents.

Parliamentary report, page 3

مكتبة الأمل







## WEST EUROPE

## Death threat to victim of Basque kidnap

From Harry Debellus  
Madrid, Feb 6

An engineer was due to die by midnight tonight according to his Basque separatist kidnappers, unless the Spanish Government agreed to demolish a nuclear power plant under construction near Bilbao.

The terrorist organization ETA had threatened to kill Señor José María Ryan, who was kidnapped eight days ago while on his way from the construction site at Lemóniz to his home near Bilbao.

The ETA has violently opposed the nuclear power plant ever since construction began in 1978. It has bombed, burnt and shot at numerous installations and offices of Iberduero, the company which is building the plant, killing a number of workers and policemen. The latest person to die was one of the ETA's own members killed when a bomb which he placed at a transformer station near Pamplona apparently exploded prematurely.

About 10,000 people marched through Bilbao last night in a demonstration which called on the ETA to free Señor Ryan.

A few hours later, in what appeared to be a defiant answer from the ETA, a high-tension tower owned by Iberduero was wrecked by explosives near San Sebastián, cutting off power for 30 miles.

The separatist attacks at Lemóniz are largely responsible for the fact that Spain's nuclear power programme is behind schedule. The first of two reactors at Lemóniz, with a potential of 3,000 megawatts each, should have been in operation by early last year. The second was to have been on stream this year or next.

The unrelenting onslaught is costly not only in terms of the lives lost and property destroyed. The delays are also pushing up Spain's oil imports bill. Señor Ignacio Bayon, the Minister of Industry and Energy, pointed out to a parliamentary committee here last December that a one-year delay in putting a 1,000 megawatt plant into service means the import of 1,400,000 tons of petroleum which would not otherwise have been needed.

Señor Ryan was the twenty-ninth person to be abducted by the ETA since 1970. Police were also searching for another kidnapped man who may be in the hands of the ETA.

He is Señor Luis Suárez, a wealthy industrialist who was hunted out of his office near Valencia 24 days ago by a group of hooded gunmen.

## East German footballers reported held

Bonn, Feb 6.—Three members of East Germany's national football team were arrested at an East Berlin airport and taken away by security officials, the West German newspaper Die Welt reported.

The three Dynamo Dresden stars, Gerhard Weber, aged 24, Matthias Müller, aged 26, and Peter Kotte, aged 26, had been chosen for the national team playing in Argentina this week, and East German supporters were puzzled why they did not make the trip, the conservative newspaper reported.

The three turned up at East Berlin's Schönefeld airport, were taken behind a partition, and driven away separately by state security officials, the newspaper said, citing unofficial East German sources.

The Dynamo team would not comment on the arrests, and a spokesman for the national sports association would say only that the affair was related "to a pending case", Die Welt said.—AP.

## Gourmet dies in restaurant

Paris, Feb 6.—Henri Clos-Jouve, president of the Guild of French Gastronomic Journalists, died while ordering lunch in a Paris restaurant today. He was 80.

A food writer for 50 years, he was considered to be one of the leading French gourmets. —Agence France-Press.

## Señor Suárez assails right-wing 'opportunists'

From Richard Wigg  
Palma, Majorca, Feb 6

Señor Adolfo Suárez, who suddenly resigned as Prime Minister eight days ago, plunging Spain into a government crisis, achieved a welcome of plebiscitary proportions from some 2,000 rank and file delegates when the Democratic Union (UCD) opened its party conference here today.

The outgoing Prime Minister, who insisted that this was his last conference as party president, obtained almost equally prolonged applause later when he urged the delegates to back Señor Leopoldo Calvo-Sotelo, as present Deputy Prime Minister in charge of economic affairs, as the man to succeed him.

King Juan Carlos, and with him most of Spain, is awaiting the outcome of this conference to decide which political leader to nominate to go before the Cortes and seek a parliamentary majority.

The government crisis and the wending battle between Señor Suárez and the UCD "barons", who today looked threatened, explain the intense interest in this conference,



Police dragging away protesters who were trying to stop building going ahead on the controversial Brokdorf nuclear power station near Hamburg. Construction has been resumed after a four-year suspension.

## Franco-German summit united in distrust of Britain and America

From Ian Murray  
Paris, Feb 6

France and West Germany have closed ranks and put up a firm front against two dangers which their leaders believe threaten Europe: President Reagan's America and Mrs Thatcher's Britain.

The threat from America envisaged during the last two days of talks between Herr Helmut Schmidt and President Giscard d'Estaing during the thirty-seventh summit between the two countries was that President Reagan's tough line could deprive Europe of a meaningful independent voice in dealing with the Soviet Union.

Predictably, the threat envisaged from Britain was that Mrs Thatcher would not heed the spirit of the Treaty of Rome and would thwart attempts to adopt a common fisheries policy, to fix an increase in agricultural prices, and agree to a phasing out of compensatory payments.

The perfect harmony which seems to shine through the final statement agreed by the two summit delegations would indicate that Britain can expect a united front from France and West Germany when it comes to the Brussels negotiations over the European budget, and any alterations in the common agricultural policy.

Finding a rapid solution to the difficulties which have hindered the creation of a common fisheries policy occupied much of the discussions on Europe. Both France and West Ger-

many are being forced to prop up their fishing industries and the two leaders agreed that a "solution" must be found "rapidly".

As a result, it was agreed that Herr Schmidt would seek an early meeting with Mrs Thatcher to try to impress this on her.

For Herr Schmidt the most important part of the statement was that dealing with defence. Both countries reaffirmed their loyalty to Nato, but at the same time agreed to work together to set up a European disarmament conference.

The statement outlined the three requirements the two countries believed had to be met for the "stabilization" of East-West relations: "stabilization" rather than "détente" is what President Giscard has said is now the objective of policies towards the Soviet bloc.

The requirements were: a security balance; moderation in political behaviour; and equality of responsibility towards the "great powers" of the world.

The desired security balance would be achieved by refusing either to accept a position of weakness or to seek military superiority.

The call for moderation was clearly aimed at both President Reagan and the Kremlin. It would be moderation according to the conditions in the Helsinki Agreement. This meant that Poland would have to be allowed to solve its own problems peacefully and without external interference.

## Herr Springer accuses 'The Times' of distortion

From Patricia Clough  
Bonn, Feb 6

A report in *The Times* about the battle by the journalists of *Die Welt* to keep their editor and political style has been described by Herr Axel Springer, the newspaper's publisher, as a distortion of the truth.

The protest by *Die Welt* staff against what they reliably understood to be plans to remove the editor, Herr Peter Springer, and turn it back into a right-wing "Kampfblatt", a political crusading newspaper, was reported in *The Times* yesterday.

*Die Welt* is the leading daily in Herr Springer's publishing empire which he uses to spread his highly conservative views. During the past two and a half years Herr Boenisch had made the paper more lively, more ethical and more liberal in outlook although it remains basically conservative.

He said in a column in tomorrow's *Die Welt*, Herr Springer accuses *The Times* of reporting "speculations".

However, Herr Peter Jentsch,

the chairman of *Die Welt's* works council, representing the journalistic and non-journalistic staff, confirmed the contents of *The Times* report in a radio interview today.

He added that he believed many of the journalists were prepared to strike in support of their cause.

He also predicted that many journalists would leave the paper if its political lines were changed again.

Herr Springer complained that the "unreliable" *Times* report failed to mention that he was trying to tackle *Die Welt's* financial problems. He said: "I confidently hope that I will be more successful in this than the present owner of *The Times*".

He would not let these efforts be impaired by polemics or speculative attempts at interference.

Herr Springer appeared to be under the impression that the term right-wing referred mainly to his passionate pro-Israel and pro-Jewish views and accused *The Times* of having a basically anti-Israel attitude.

Underlining the importance of the UCD staying united, Señor Suárez said: "If we leave this conference divided we shall only constitute the small fragments of an historic failure."

Most of his speech was devoted to the theme of party unity and his contention that the existence of a political force occupying the middle ground was vital for Spain's new democracy. "They attack us because the UCD contributes the element of equilibrium in Spanish politics," he said.

The party had been put in power by seven million voters not as a conservative party, attempting to resist change, but to realize the social changes required, in a spirit of common sense and in a reformist way. It must decide in Palma the basic political strategy and programme right up to the next general election, he said.

Señor Suárez had arrived here from Madrid last night with a team of no less than six conference aides, looking obviously as if still in power, although he had just held his last Cabinet meeting.

The so-called "critical sector" of the party, chiefly the Christian Democrats (the best org-

"This moderation is everywhere—both inside and outside Europe—incompatible with the recourse to force, with the politics of fait accompli, and with attempts to ensure unilateral advantages."

The "great problems" of the world were those of poverty, hunger and the quest for economic stability through a more moderate evolution of oil prices.

The statement ended with the somewhat unctuous suggestion that overcoming the difficulties of the Community, improving Europe's political cohesion and assuring the stability of the economy were the conditions needed to ensure that Europe conformed to its historic role.

The apparent unity on most of the main points discussed was important to President Giscard d'Estaing for domestic political reasons. His close relationship with the West German Chancellor has been one of the basic factors of his policy.

Among the subjects treated in meetings held parallel to the summit was Japanese trade. Both countries agreed that the Japanese market should be opened to more European imports, while Japanese manufacturers would have to show more restraint in selling to Europe. This would be taken up with Tokyo.

A cultural statement was agreed, which looks ahead to the establishment of a research institute in France, dealing with contemporary German, and mutual improvements in the teaching of history and language.

## Terrorists kill policemen in gun battle

Padua, Feb 6.—Right-wing terrorists killed two carabinieri yesterday evening in a gun battle on a canal bank on the outskirts of Padua, police reported today. A wounded man was arrested last night at a flat in Padua.

Police identified the man as Valerio Fioravanti, aged 22, known to the police as a member of a neo-fascist extremist group calling itself Third Position. They said Signor Fioravanti was wanted for questioning in connection with a series of right-wing terrorist crimes, including the bomb explosion at Bologna station which killed 86 people.

Wrong target? Terrorists, in an apparent mix-up of targets, bombed the Nationalist Chinese Embassy to the Vatican today, causing heavy damage but no injuries, police reported (AP wirephoto).

A self-styled Maoist-Leninist group claimed responsibility for the attack in a telephone call to an Italian news agency, saying the bomb was intended to dramatize its demand for the release of Jiang Qing, the convicted widow of Chairman Mao.

allied of all UCD factions) and the liberals said after the delegates' reception, that they were still ready to do battle with what is known as the "official sector", led by Señor Suárez, because he still controls the powerful party secretariat.

This consists of many former officials of the Franco regime, like Señor Suárez himself.

The critics presented their own candidate, a Christian Democrat, for the conference chairmanship, but Señor José Pérez Llorca, the Foreign Minister and the candidate of the "official sector", obtained two-thirds of the delegates' votes.

Their candidate obtained about 100 votes less than the 700 conference delegates who signed the pre-conference manifesto attacking Señor Suárez's presidential style of running the party, and demanded that elections to the national executive should be on the basis of proportional representation.

The critics today also insisted that Señor Suárez should not present himself on any of the lists of candidates for the party executive: Who should replace him as party president will be decided on Sunday, before the conference ends.

## OVERSEAS

## General's reservations on UN plan for Namibia

From Nicholas Ashford  
Windhoek, Feb 6

Major-General Charles Lloyd, the officer commanding the South African Defence Force and the South-West Africa Territory Force (ethnic units) in Namibia, said today he still had a number of military reservations about the United Nations settlement plan for the territory, in particular the proposal to establish a 60-mile wide demilitarized zone along Namibia's northern border.

General Lloyd rejected claims made by United Nations negotiators and Western observers at last month's Geneva conference on Namibia that only minor technical matters concerning the implementation of the military aspects of the plan still had to be resolved.

Addressing a press conference for foreign correspondents in the Namibian capital, the general also claimed that South Africa could have won the bush war against the South-West Africa People's Organization (Swapo) by now if it had not been for the self-restraint shown by the Defence Force when striking at Swapo bases in southern Angola.

"We know of some beautiful targets over there," he said, "but we do not go for them because we do not want to hurt civilians and cause unnecessary damage to the local infrastructure." He said the war was against Swapo and not against Angola, although he admitted that innocent civilians did sometimes get hurt as a result of the Defence Force's cross-border operations.

General Lloyd's reservations about military aspects of the United Nations plan are further evidence that the South African Government is not going ahead with a settlement along the lines laid down in Security Council resolution 435 for the foreseeable future.

South Africa, which is trying to buy time for the internally based General Turnhalle Alliance to establish itself as a viable alternative to Swapo, is also seeking guarantees of the United Nations impartiality before agreeing to go ahead with the settlement plan.

The main military objection to the plan concerns the demilitarized zone which would stretch for 30 miles on either side of the territory's entire 700-mile frontier. General Lloyd said Swapo would make use of the withdrawal of South African troops from this zone to infiltrate the area and to intimidate the local population.

As more than 60 per cent of the territory's one million inhabitants live within the proposed zone this would have a serious effect on the outcome of the election.

"I do not believe that resolution 435 and the establishment of a demilitarized zone can ensure the holding of free and fair elections," General Lloyd said.

He added that if his forces, which are better equipped than the 20,000 men, were unable to prevent Swapo infiltration then 5,000 United Nations troops deployed in the demilitarized zone "have not a hope in hell of doing so."

Despite his reservations about the United Nations plan, General Lloyd emphasized that there had to be a political rather than a military solution in Namibia.

Party moves: In the wake of the collapse of the Geneva talks on a United Nations settlement in Namibia, leaders of the territorial political parties are considering steps to consolidate the internal regime which was set up after an election sponsored by South Africa in 1979 (Eric Marsden writes from Johannesburg).

They are expected to meet today after two days of talks in Cape Town between Namibian internal leaders and South African ministers, including Mr P. W. Botha, the Prime Minister. No statement was issued after the meeting, but Mr Dirk Mudge, chairman of the Namibian Council of Ministers, said later that his Democratic Turnhalle Alliance had proposed the setting up of a South-West African Government of national unity.

## Russians say icon dealer is defending smuggling

From Michael Binyon  
Moscow, Feb 6

A Soviet newspaper which has accused a Russian icon dealer of smuggling icons stolen in Moscow, and smuggled to Britain for sale by London galleries has accused a British icon dealer of using *The Times* to assure potential clients worried by Soviet anger over the affair.

Mr Vladimir Simonov, the London correspondent of the weekly *Literaturnaya Gazeta*, suggested that a letter published in *The Times* on January 19 from Mr C. M. Martin describing how icon smuggling worked, was an attempt to justify what Mr Simonov called the dirty trade and allay the worries of diplomats who were acting as couriers in smuggling the icons across the Soviet border.

He described how he had tried, on reading Mr Martin's eight-point letter, to get in touch with him. He went to the gallery in Kensington Church Street, the address given in the letter, only to be told that Mr Martin had moved long ago and nobody knew where he now lived—"something quite unimaginable according to English tradition".

Instead, he said, he was received by a man who offered to put him in touch with other galleries dealing in icons. But such galleries, Mr Simonov said, were "guarded more strongly than banks"; and he described an attempt to visit another gallery where an icon stolen

## Gunmen storm flat in Beirut and abduct Jordan envoy to force return of defecting Syrian pilots

From Robert Fisk  
Beirut, Feb 6

Two apparently pro-Syrian militia groups claimed this afternoon to have been responsible for kidnapping Mr Hisham Mubaisan, the Jordanian chargé d'affaires in Lebanon.

In what looked suspiciously like an extension of the political dispute between Syria and Jordan, a telephone caller dialled the broadcasting office of the "Voice of Lebanon" radio station to say that Mr Mubaisan would be executed if two Syrian air force pilots—who had defected to Amman—were not returned to the Damascus authorities.

Mr Mubaisan's elegant apartment block in western Beirut—the Muslim side of the Lebanese capital—was stormed by at least 20 gunmen this morning. They machine-gunned one of the diplomat's bodyguards to death in the front yard of the building, accidentally killing a Lebanese motorist at the same time, then burst through the glass doors of the foyer, peppering the walls with bullets.

Mr Mubaisan was in his second-floor flat when the gunmen shot off the door lock of his apartment and sprayed the living room with gunfire. He and his maid were in their bedrooms and both were immediately seized and taken down

to the street where they were driven away in one of four cars used by the kidnappers.

A Syrian army roadblock is positioned scarcely half a mile from Mr Mubaisan's home, but long before the first telephone caller had claimed responsibility for the kidnapping, the Jordanian government was hinting strongly that the Syrian government had a hand in the affair.

"A certain side that is accustomed to move in darkness" was, they claimed rather picturesquely, responsible for the kidnapping.

The first claimant to responsibility announced to the "Voice of Lebanon" that he represented an organization calling itself "The Eagles of the Revolution" and demanded the return of the two defecting pilots.

The caller said the pilots were members of the Muslim Brotherhood, the underground extremist movement which has carried on a ruthless war against President Hafez Assad's regime in Damascus for the past two years.

The radio station is owned by the Christian Phalange Party which is in of course violently anti-Syrian. The Lebanese police, however, added some credence to the suspicion of Syrian complicity by disclosing that they had found pamphlets at Mr Mubaisan's apartment signed

by two more groups, this time calling themselves the "Left Arab National Organization" and "Vanguards of Revolutionary Justice". The documents denounced Jordan as ally of "imperialism" and "Zionism", and of lying to Syria.

Nevertheless, it has become rather too common a practice in Lebanon to blame Syrians for every ungodly murder or kidnapping. It scarcely anyone here doubts that the long arm of the Syrian secret service operates extensively in Beirut, it is a fact that many Lebanese choose to forget the occasions when Syrian troops fight their way into the city's western suburbs to break up the vicious wars of the Lebanese militia.

A Palestinian group and to break up the Palestine Liberation Organization's recent relations with King Husayn of Jordan, for instance, to have had reason to kidnap Mubaisan.

Palestinians were believed to be responsible for the kidnapping and murder of the United States Ambassador in Beirut during the civil war in 1976, for instance, to have had reason to kidnap Mubaisan.

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## US farmers lobby for end of grain embargo

From Patrick Brogan  
Washington, Feb 6

President Reagan met a group of spokesmen from the farming industry this morning, to hear their pleas that the grain embargo against the Soviet Union should be lifted, and that federal help for farmers should continue at present levels.

He has already seen a group of mayors of the country's main cities and many others will pass through his office in the next 10 days, attempting to persuade him to lift his budget cuts on someone else.

In his broadcast to the nation last night, Mr Reagan promised deep cuts in the budget but did not say where they would fall. He said that the current budget would end on September 30 with a deficit of about \$80,000m (£33,236m). He said that the budget was out of control and that he would do something about it.

He will present his economic policy, or at least a first instalment of it, to Congress on February 18. He has been reported to want to cut \$50,000m from next year's budget.

The speech contained few hints that the process of controlling inflation would be painful and no details of how it could be done.

He said that government "has reached, indeed surpassed, the limit of our people's tolerance or ability to bear an increase in the tax burden". He will therefore propose across-the-board cuts in taxes of 10 per cent a year for each of the next three years.

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They are expected to meet today after two days of talks in Cape Town between Namibian internal leaders and South African ministers, including Mr P. W. Botha, the Prime Minister. No statement was issued after the meeting, but Mr Dirk Mudge, chairman of the Namibian Council of Ministers, said later that his Democratic Turnhalle Alliance had proposed the setting up of a South-West African Government of national unity.

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## Hopeful start to talks about Belize

By David Spanier  
Diplomatic Correspondent

Talks on the future of Belize between British and Guatemalan officials in New York City began yesterday after a reasonably hopeful start.

The discussions are seen as a "make or break" effort to reach a settlement over this long-standing colonial dispute, before Britain convenes a constitutional conference, expected to start in London next month. Independence for Belize would then follow, according to the United Nations resolution which Britain has endorsed.

It was almost certainly Mr Christopher Martin said yesterday that he had indeed ceased to trade from the premises in Kensington Church Street from which he wrote to *The Times*. He had shared the premises with Mr Douglas Harris, a jewelry dealer, until two weeks ago. He now sells with a partner from the Chelvi Gallery in Chelsea; he also has a stall in Portobello Road on Saturdays (our Sale Room Correspondent writes).

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## India Supreme Court order will set thousands free

From Trevor Fishlock  
Delhi, Feb 6

More than 12 years ago Mr Birendra Rout was arrested on charges of robbery and murder. He is still in prison awaiting trial, according to a report just made to the Supreme Court of India.

He is in jail in the northern state of Bihar, whose government was ordered by the Supreme Court recently to provide details of people in custody.

Expressing concern over "the disturbing state of affairs" in Bihar, the court has ordered the state government and law authorities to dispose of the cases of thousands of people who have been awaiting trial for more than two years.

The court has been told of four young men who have been in a Bihar prison for eight years without trial. It has heard that there are 19,000 cases of people waiting for hearings to begin a year after they were first committed for trial.

It has asked the Bihar authorities to explain why a number of prisoners have been waiting

for trial for more than years, and why more people have not been released on bail. The administration of justice in several parts of India is the courts are clogged and disarray. There are about 100,000 people in Indian jails, many of whom with little prospect of coming to court in near future.

Nowhere is the position worse than in Bihar. The government and judicial decisions say there are enough courts.

The Supreme Court's order to Bihar to dispose of cases quickly is meant to apply to other parts of India. The order should set free thousands of people and the backlog of cases.

Some of them will have in jail longer than the minimum sentence for the crimes they are alleged to have committed. But given the state of the Bihar courts, and the judicial backlog, it is by no means certain those eligible for release will be freed as quickly as the Supreme Court would like.

## Threat to kill the crew of hijacked airliner

Bogotá, Feb 6.—Three shabbily dressed men armed with submachine-guns hijacked a Colombian airliner today and threatened to kill the crew if soldiers surrounding the aircraft did not allow it to take off, police sources in Bogotá said.

The airliner was hijacked moments after taking off from the north-east Colombian city of Bucaramanga and was forced to Cucuta, 75 miles away along the Venezuelan border. Señor Adolfo Martínez, Governor of the state of Norte de Santander, said in a broadcast interview.

To Cucuta, 60 passengers, believed to be all on board the Avianca airlines Boeing 727, were allowed to get off, a radio reporter said from Cucuta airport. Then 10 Army vehicles and about 300 soldiers surrounded the aircraft.

The hijackers threatened to kill the five crew members on board if the soldiers did not allow the airliner to leave, usually well-informed police sources said at the national police headquarters in Bogotá. The hijackers demanded the Cucuta district Governor be summoned to the airport so that they could put demands to him, an army spokesman said.

Later the Communicational Ministry issued an order to suspend news coverage of the hijacking. Radio reports on the incident were immediately cut off. The order, given due to the seriousness of the situation and to avoid complications, an Interior Ministry source said.

Colombia does not use electronic surveillance equipment in searching passengers and their luggage at airports. Body searches are often casual and sometimes skipped.—AP and UPI.



# Beirut and to force Iranian pilots Many demonstrators arrested in violent Tehran street clashes

From Tony Alloway  
Tehran, Feb 6

Violence returned to the streets of Tehran today as demonstrators fought pitched battles with police and Iranian Revolutionary Guards in the capital. At least 45 people were taken to hospital, some with bullet wounds.

Many demonstrators were arrested in the clashes, in some cases the fundamentalists themselves. They were taken to a detention centre in the city and then to a military camp.

The violence began after supporters of the late President Bani-Sadr, who was ousted in a referendum last year, demonstrated against the new government. They were demanding a return to the old constitution and the release of Bani-Sadr.

A Palestinian group, the PLO, also demonstrated in the city. They were demanding the release of Palestinian prisoners held in Iran.

The demonstrators were confronted by the Iranian Revolutionary Guards, who are loyal to the new government. They used tear gas and live ammunition to disperse the crowds.

The clashes continued throughout the day. Demonstrators set fire to police cars and buildings. The police used water cannons and live ammunition to control the situation.

The violence ended in the evening. The city was left in a state of chaos. Many people were injured and property was damaged.

## Compassion outweighed by military tradition

From Michael Leapman  
New York, Feb 6

The five marine officers who convicted Private Robert Garwood yesterday of collaborating with the enemy in Vietnam, grappled with a painful dilemma during their two days of deliberations. They had to balance their devotion to the service and its traditions against the compassion they must have felt for the accused.

The facts of the case were scarcely in dispute. During his 14 years with the marines in Vietnam, Private Garwood had collaborated with the enemy. He had learned their language, carried weapons for them and helped them administer American prisoners of war.

Whether it was fair to call him, as one of the prisoners did, a "white Vietnamese" was debatable. Yet he certainly aroused the rage of prisoners, as they testified at the court martial, by seeming to identify with their captors rather than with his fellow countrymen.

On the other hand, here was a man of limited mental capacity who had been subject to pressure from the Vietnamese. He was never exacting, and his defence argued that this pressure, together with his difficult childhood, meant that he could not be held accountable for his conduct.

Private Garwood's misfortunes began when he was a baby. Doctors testified for the defence that he had been dropped on his head, suffering a slight but recordable brain damage. His mother left home when he was four and he had stormy relations with his father. He ran away from home and joined the marines partly so that he could be released from a home for wayward boys.

All that left him with mental scars which made him prone to persuasion by his captors in Vietnam. The defence said that he was unable to make rational judgments about his actions.

In deciding to convict him, the five marine officers seem to have relied heavily on the military code of conduct, which says in part: "I will never forget that I am an American fighting man, responsible for my actions."

In practice, that has been modified in the case of other returned prisoners of war. Modern techniques of coercion have, since the Korean War, been recognized as so powerful that unpatriotic statements made under pressure are no longer made the subject of prosecution, so long as the servicemen involved "bounce back" to loyalty once the pressure is lifted.

Private Garwood, who stayed in Vietnam until 1979, was judged not to have purged himself in this way. The marine authorities felt that if what they saw as so gross a breach of the code was not punished, it would retain no meaning at all. The jury obviously agreed.

The case has provoked surprisingly little comment here. The Vietnam War seems a long time ago; a painful experience for Americans, who do not seem anxious to revive its memory. Further hearings will be held at which Private Garwood's sentence will be decided by the jury members who convicted him.



Peruvian army officers showing weapons they captured from Ecuadorean troops last week.

## Washington to expand key base in Australia

From Douglas Aiton  
Melbourne, Feb 6

The United States base at Pine Gap, near Alice Springs in central Australia, will be expanded to increase America's ability to strike the Soviet Union with nuclear missiles.

The Defence Department revealed that Australia had agreed to the expansion after a request from Washington in August last year.

Under the agreement, the United States will install more advanced electronics and communications equipment and increase the number of American experts at the base.

The decision came after America changed its nuclear strategy to give priority to attacks on Soviet nuclear missile sites in a first strike rather than on cities.

A Defence Department spokesman would provide few details of the build-up at Pine Gap. A short statement issued by the department yesterday referred only to "additional construction at Pine Gap."

The statement said a 75ft by 200ft extension would be made to one of the buildings at the base. The statement said that the new construction would not affect the function of the base, which has never been revealed to the Australian public.

Defence experts say the base could play a vital role in pinpointing Soviet targets on land and sea. The base also can give precise navigational aid and orders to nuclear armed American submarines around the world.

Successful Australian governments have acknowledged that Pine Gap and another communications base at Exmouth on the North West Cape in Western Australia would be certain nuclear targets in a war.

In March Mr James Killen, the Minister of Defence, told Parliament that Australia risked attack in a nuclear war whether or not it allowed American facilities in the country.

Under the revised United States nuclear policy, initiated by President Carter, all American communications bases will be expected to play a bigger role in giving early warning of Soviet nuclear attacks and in monitoring Soviet military movements by relaying signals from satellites to the Pentagon.

Pine Gap is one of only two ground bases which receive the early warning signals.

When details of the United States request to upgrade the base were published in August last year, Defence Department officials refused to comment, saying it was official policy neither to confirm nor deny reports about the base.

# Nkombo dies in car blast Japan stages anti-Soviet protest over islands

From Stephen Lee  
Tokyo, Feb 6

A 40-year-old Japanese man, Nkombo, died in a car blast in Tokyo today. The explosion occurred as the car was driving through a crowd of people.

The car was carrying Nkombo and several other people. The explosion was caused by a bomb that was thrown at the car.

The police are investigating the case. They believe that the bomb was thrown by a person who was opposed to the Japanese government's policy towards the Soviet Union.

Japan stages anti-Soviet protest over islands. The protest was held in Tokyo today. It was organized by a group of people who are opposed to the Soviet Union's claim to the Kuril Islands.

The protesters held a demonstration in front of the Japanese government building. They carried banners and flags and shouted slogans against the Soviet Union.

The Japanese government has refused to accept the Soviet Union's claim to the islands. It says that the islands are Japanese territory.

The Soviet Union says that the islands were taken from them by Japan during the Second World War. It says that they should be returned to the Soviet Union.

The dispute over the islands has been a long-standing issue between the two countries. It has caused many problems in their relations.

Leading article, page 15

# Asian rejects Janoi offer on Kampuchea

From David Watts  
Singapore, Feb 6

The Association of South-East Asian Nations (ASEAN) has rejected an unacceptable proposal for a regional conference on Kampuchea.

The five member countries, Thailand, Malaysia, Singapore, Indonesia and the Philippines, say they know that the proposal is unacceptable.

The proposal was made by the Vietnamese government. It offered to hold a conference on Kampuchea if the United Nations accepted its terms.

The ASEAN countries say that the proposal is unacceptable because it does not meet the principles of the United Nations Charter.

They say that the proposal is a violation of the principles of self-determination and non-interference in the internal affairs of other states.

The ASEAN countries are committed to the principles of the United Nations Charter. They will not accept any proposal that is contrary to these principles.

# Central Africa to hold March election

Bangui, Feb 6. More than 97 per cent of Central Africans approved a new constitution allowing a multi-party system in a referendum last Sunday, according to official results published last night.

President David Dacko announced that the first presidential elections to be held since the overthrow of Emperor Bokassa will be on March 1.

There are eight political parties in the republic, but it is not yet known how many candidates will stand.

In choosing March 1 as polling day President Dacko has ignored a provision of the electoral law which states that 35 days must elapse between votes. The referendum was on February 1.—Reuters.

# French settlement programme criticized by Guiana socialists

From Danielle de Meyer  
Agence France-Presse

Yenne, French Guiana, Feb 6. Forty men, women and children arrived in this French overseas territory one night in September, 1977, and are taken immediately into the Amazonian forest. The group is the vanguard of Hmong refugees from Laos.

Today the Hmong settlers, who fled the central highlands of Laos claiming that they were being harassed by the communist authorities in Vietnam, are living in small villages of about 1,000, living in the mountains of French Guiana, near the frontier with Surinam. The Hmong, often incorrectly called Miao, are one of the many tribes of Laos.

Settling the Hmong refugees being carried out by the French Government and a Catholic aid movement, despite opposition from local leaders.

M. Paul Djoud, the French minister for Overseas Territories, confirmed recently that settling Hmong in the two villages would continue.

The project was described as "very positive" by Father René Charrier, a French missionary who worked in Laos for 30 years, and accompanied the Hmong

here. But he added: "We have to take account of certain human feelings."

Father Charrier helped to found the village of Cacao, which is reached after driving along a 38-mile dirt road through the equatorial rain forest.

Cacao is a vast clearing in the middle of luxuriant vegetation, with its wooden houses, stilted, two churches, its colourful market and hundreds of laughing children.

One thousand five hundred acres have been hacked out of the forest by hand as no bulldozer could be used.

The village itself is surrounded by rice paddy fields and maize and manioc crops, grown with the help of buffaloes from Trinidad which can stand the humidity. They grow also sweet potatoes and soy beans and rear pigs and poultry for their own consumption.

The village produces one ton of fresh vegetables every week and these are sold at neighbouring markets.

The village even has contracts with Paris firms to supply tropical products to France, like 1,000lb of passion fruit a week. This is an unprecedented contract for French Guiana.

## Laos refugees find new life in South America

The Hmong settlers each received a subsidy of 40 francs (about £3.50) a day over three years and the total investment in Cacao works out at about 17 million francs.

It is estimated that it costs 20,000 francs to clear two-and-a-half acres before being able to plant the first seed. But for the past 12 months the village has been completely self-supporting. Its eight tractors belong to the farm cooperative and three families out of 100 have their own car.

"We have found peace and safety here," the Hmong say. But they have come to know all the problems that plague uprooted communities. The main problem is the feeling of isolation.

The village is cut off from the rest of the country by the thick forest and contacts with local people are minimal. The average age of the village is 15 years. But as it is the Hmong tradition to forbid marriages within the same clan, the village will have to welcome more Hmong settlers so their children can marry.

The Hmong are finding it difficult to integrate here despite great efforts to teach them French. So far only 40

families have become naturalized.

Father Charrier pointed out that "at the beginning it is important for them to retain their cultural identity, customs and language. The second generation, the children of the people here, will start making contacts in the outside world."

The Hmong settlement project has brought protests from local people and their elected leaders.

Senator Raymond Tarcet, vice president of Guiana Socialist Party, which is the main opposition movement, talks about "genocide by substitution organized by the French Government."

M. Elie Castor, chairman of the locally elected 16-member council, said: "Guiana has received its share of Hmong." He sees in their settlement here the "risk of a demographic and political upset."

But Dr Claude Ro-a-Chuck, the first Guiana mayor to welcome a Hmong community, looks on their settlement as an act of human kindness. She sees Guiana as under-developed and under-populated. "We need all the help we can get to develop Guiana, for by ourselves we shall never succeed."

As well as seeking some acceptable middle-ground formula on the two issues, the movement will also want to demonstrate that it remains as valid as when its principles were set out by its late leaders, Jawaharlal Nehru, President Nasser and President Tito at its founding in Belgrade in 1961.

Dr Kurt Waldheim, the United Nations Secretary-General will attend the conference and will try to get talks started between Afghanistan and Pakistan.

Some of the non-aligned countries want the Russians to be not only mentioned but condemned.

The Association of South-East Asian Nations (Asean) is upset that the declaration does not face the Kampuchean question squarely and wants the conference to demand the withdrawal of Vietnamese troops.

The Vietnamese, on the other hand, have expressed their satisfaction with the declaration as it stands and have given a warning that any mention of Kampuchea would lead to confrontation between members of the non-aligned movement and would be dangerous to its unity. There will have to be some

## Doubt over pledge to Mr Trudeau

From John Best  
Ottawa, Feb 6

A British Conservative MP has expressed doubt that the Westminster Government will impose a three-line whip to get Canada's constitutional reform package through Parliament.

Sir Anthony Kershaw is chairman of a select committee of the British House of Commons which is to examine the package.

Mr Pierre Trudeau, the Canadian Prime Minister, author of the plan by which the United Kingdom Parliament would be asked to patriate the British North America Act to Canada, has frequently said that he has a commitment from Mrs Margaret Thatcher, the British Prime Minister, to lay on a three-line whip to expedite passage of the Bill.

But Sir Anthony told a press conference in Toronto yesterday that he had discussed the likelihood of its use with people close to Mrs Thatcher, and was told they doubted she had given Mr Trudeau such a commitment.

At a press conference here yesterday Sir John Ford, Britain's High Commissioner, said it would be a "very great mistake" to assume that British MPs would do exactly what they were asked to do. He said he had conveyed the same message to Canadian cabinet ministers.

Sir John denied charges by the New Democratic Party (NDP) that he had interfered in Canadian affairs by telling an NDP member of Parliament at a dinner party that the constitutional reform was in for trouble at Westminster.

In the Commons, Mr Mark MacGuigan, the External Affairs Minister, told Mr Edward Broadbent, the NDP leader, that he was investigating reports of the alleged interference and considering what action should be taken, if any. "If they were true, I might say that such conduct would, of course, be doing a great disservice to the Government of the United Kingdom."

Dr Cruz said that if the United States withdrew its support, "they would be making a serious error... they would be forcing us to look for cooperation elsewhere... the revolutionary leadership may be obliged to do what it does not want to do, which is to become more radical."

Educated in America, Dr Cruz worked for ten years with the Inter-American Development Bank in Washington.

America has stopped payments and loans to Nicaragua while it investigates how the money is being used. State Department officials have accused Nicaragua of involvement in El Salvador.

"By alleging we are involved in El Salvador, which we are not, the United States may decide to call in the outstanding balance due," Dr Cruz said. "They may close other markets for us by using their influence internationally."

"The awesome power they have is obvious. But the revolutionary Government is not willing to lose its self-respect and the right to self-determination. We are not going to beg."

He said Nicaragua "wants to respect human rights, be non-aligned and to keep a pluralistic system... if our revolution scares the United States, or anyone else and, because of that, they decided to crush us, we are ready to make any sacrifice required."

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## Nicaragua accuses US of economic aggression

From Stephen Downer  
Managua, Feb 6

Dr Arturo Cruz, a member of the five-man ruling Nicaraguan junta, has accused the Reagan Administration of using "economic aggression" in an attempt to influence his country's destiny but he says Managua will "not beg" Washington to desist.

If any foreign government tried to crush the revolution, Nicaragua would make "any sacrifice" to protect itself.

Dr Cruz accused the United States of trying to humiliate Nicaragua by suspending economic aid. He said this action could force the revolution to become more radical. He denied that Nicaragua had taken part in the civil war in neighbouring El Salvador.

However, Dr Cruz, who is considered to be a political moderate and a financial expert, expressed his "immense admiration" for the United States.

"But, if any government decides to interfere in the internal affairs of my country and, much worse, if it decides to attack this country, be it by economic aggression or armed aggression, I can assure you my country would come first."

That is the way 99 per cent of the people here feel, may be more, and there are very few traitors in this country."

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## Dissidents warned in China

Peking, Feb. 6.—Chinese Communist Party members have received a stern warning from a provincial radio station, which emphasized that they were forbidden to support the activities of dissidents.

A transcript of the Nanchang radio comment showed that both right and left-wingers opposed the party central committee line in the central province of Jiangxi.

The broadcast reminded party members that the spreading of ideas contrary to the official party line was "absolutely forbidden" in public and in the media, although any "divergent ideas" that they might have could be expressed within the framework of Communist Party bodies.

The text also warned party members that it was "absolutely forbidden" to refuse to implement policy "on the pretext of holding differing opinions."

Party members were told, without any further detail, that they must not "support the activities of dissidents" or take part in "factional activities while camouflaging themselves behind the party organization."

Nanchang radio recently attacked the presence of supporters of Jiang Qing, Mao Tse-tung's widow.

—Agence France-Presse.

# HIGH INTEREST RATE.

# Bland 'Delhi draft upsets non-aligned nations

From Our Own Correspondent  
Delhi, Feb 6

Afghanistan and Kampuchea clearly be the dominant forces at the foreign ministers' conference of non-aligned countries in Delhi next week.

A movement will be under way as it tries to retain its appearance of unity while warring to compromise on two issues over which its members are strongly divided.

There is disappointment and anger among many countries as the way in which the nations of Afghanistan and Kampuchea are mentioned in

the draft declaration circulated by India.

For these countries the declaration is far too bland and does not express what they feel about the Soviet occupation of Afghanistan and the Vietnamese presence in Kampuchea.

The declaration makes no direct reference to South-East Asian countries to settle their differences without the involvement of outside powers.

On Afghanistan, the declaration expresses strong opposition to the use of force in the country, and to interference in its internal affairs, but does not mention the Soviet Union or call for the withdrawal of its

troops. Some of the non-aligned countries want the Russians to be not only mentioned but condemned.

The Association of South-East Asian Nations (Asean) is upset that the declaration does not face the Kampuchean question squarely and wants the conference to demand the withdrawal of Vietnamese troops.

The Vietnamese, on the other hand, have expressed their satisfaction with the declaration as it stands and have given a warning that any mention of Kampuchea would lead to confrontation between members of the non-aligned movement and would be dangerous to its unity. There will have to be some

tough talking, especially behind the scenes. The movement, in its twentieth anniversary conference, will be at pains to avoid serious public disagreement.

As well as seeking some acceptable middle-ground formula on the two issues, the movement will also want to demonstrate that it remains as valid as when its principles were set out by its late leaders, Jawaharlal Nehru, President Nasser and President Tito at its founding in Belgrade in 1961.

Dr Kurt Waldheim, the United Nations Secretary-General will attend the conference and will try to get talks started between Afghanistan and Pakistan.

**BELL'S**  
SCOTCH WHISKY

**business news**

**Chinese puzzle—will these men bid a billion to run Hong Kong?**

**COMMENT**

**Resist verbal mugging over your pension**











# Saturday Review

## The Reverend Maturin and Mr Melmoth

by Richard Holmes



The Reverend  
Charles  
Robert Maturin

When Oscar Wilde was released from Reading Gaol in 1897, you will recall that he fled to France under a rather remarkable pseudonym—Monsieur Sebastian Melmoth. His travel bags were initiated S.M., and his letters and melodious telegrams were signed "Melmoth". From the Hotel d'Alsace, Paris, he wrote to a friend explaining: "You asked me about 'Melmoth'... to prevent the postman having fits I sometimes have my letters inscribed with the name of a curious novel by my great-uncle, Maturin: a novel that was part of the romantic revival of the early century, and though imperfect, a pioneer: it is still read in France and Germany; Bentley republished it (in England) some years ago. I laugh at it, but it thrilled Europe..."

Exactly why poor Oscar should have hit upon this lugubrious title remains to be seen. For the moment it is sufficient to remember that he chose it in prison, and that he carried it with him into exile and—quite soon—into death.

Wilde's grand-uncle (on his mother's side) was the Reverend Charles Robert Maturin, an eccentric Irish curate of St Peter's, Dublin. In 1820, at the age of forty, the Reverend Maturin startled his parishioners by publishing the extraordinary piece of Gothic fiction known as *Melmoth the Wanderer: A Tale*. Despite its modest subtitle, it ran to four substantial volumes, and was constructed in a most intricate, not to say devious manner, from a whole series of interlocking stories, each one nesting inside the other on the principle of a set of Chinese boxes or Russian dolls.

It was rumoured to be replete with all the terrors of the genre—comfortably outdoing the haunted castles of Horace Walpole, the fiendish monasteries of Monk Lewis, and the vapouring heroisms of the Radcliffe. Naturally, it was much mocked by the English reviewers of the day who regarded Gothic Horror as irretrievably down-market. Croker growled in the *Quarterly*: "Mr Maturin has contrived, by a curious infatuation to unite in this work all the worst peculiarities of the worst modern novels. Compared with it, *Lady Morgan* (author of *The Wild Irish Girl*) is almost intelligible—*The Monk*, decent—*The Vampire*, amiable—and *Frankenstein*, natural."

No doubt because of this, the novel leapt into a second edition, and was shortly translated into French (twice, by 1822), and later German and Spanish. Its European popularity has never waned since, and a Russian translation in a heavy black cover like a Bible, appeared only four years ago.

Much more surprising, however, it became a *cause célèbre* among the leading Romantic and Symbolist writers in France. Baudelaire glorified it in *L'Élixir de longue vie*, and even wrote a satirical sequence, *Melmoth Reconcilié* (1835). Admiring references and epigraphs can be found in the works of Hugo, Baudelaire, Gautier, Eugène Sue, Villiers de l'Isle-Adam, and Lautréamont, whose *Chants de Maldoror* pinches several morbid scenes.

Baudelaire, writing *On My Contemporaries* (1865), observed majestically: "Beethoven began to stir up those worlds of melancholy and of apocalyptic grandeur which massed like thunderclouds on the inner horizon of man. Maturin in the novel, Byron in poetry, Poe in the analytical romance—all admirably expressed the blasphemous element in human passion. They cast splendid, dazzling shafts of light on the hidden Lucifer figure who is enthroned deep in every human heart. I wish to suggest by this that modern art is essentially demonic in tendency."

This places the Reverend Maturin in unexpectedly influential company. Nor was Baudelaire referring to conventional, cardboard "demons". Certainly, the hero of *Melmoth* is on closer inspection an ordinary fellow. In fact, what from a certain contract made with the powers of darkness, he seems to have been a rather studious and distinguished Anglo-Irish gentleman of the 17th century. "There was nothing remarkable in his figure," said one in the novel who had met him on his travels in Madrid (and lived to tell the tale). His demeanour was quiet, his dress sober, he did not carry a sword. Only there was something about his expression—"the eyes particularly"—which could not fail to appal.

"Accustomed to look on and converse with all things revolving to nature and to man—for ever exploring the madhouse, the jail, or the Inquisition, the den of famine, the dungeon of crime, or the death-bed of despair—his eyes had acquired a light and language of their own—a light that none could gaze on, and a language that few dare understand."

Who was Mr Melmoth, that he frequented such grim institutions and dark secret places of the heart? He was a man, whatever else he might be, on a lifelong—more than lifelong—pilgrimage. What he sought was a single victim.

Someone whose life was so terrible, so tormented, so trapped, that as an act of rational choice—an act of madness, or delirium, was not valid—they would agree to change places with him. In this bargain they would purchase their freedom in exchange for "an unutterable condition", which Melmoth proposed.

It is typical of Maturin that in the course of this long novel we never learn precisely what this "unutterable condition" is. But it becomes clear that Melmoth has sold his soul in exchange for certain kinds of physical and intellectual gifts, and an extension of his natural life for a term of 150 years. The one way he can escape from final payment on this transaction, is to transfer the deal to another human being before his time is up. It is a kind of diabolic mortgage. Hence Melmoth's ghastly search among the suffering and oppressed.

The legend of the Satanic pact, is, of course, one of the most venerable in European folklore and literature. The figures of Cain, Dr Faustus, Abascoeur, the Wandering Jew, all express it; and Marlowe, Goethe, Byron, Coleridge, and Thomas Mann have based masterpieces on it. It also had wide popular currency in English thriller writing of the 19th century—William Godwin's *St Leon* (1799), Robert Louis Stevenson's *The Bottle Imp*, and M. R. James's *Casting the Runes* are notable variations.

But Maturin's originality lay in transferring attention from the mythology of the horrendous pact, to the human psychology of those tempted in extremis to give way to it. What kind of despair could endanger them? The tempter, Melmoth, is human. Apart from its outer frame-story, the novel is very little concerned with supernatural stage business. It is fundamentally, a study in oppression—particularly the oppression of institutions and customs—explored in various convenient Gothic forms.

There are six main tales, though only a flow-chart could show how they follow, drop through, open out, and close back round each other. Like some mad Emperor's mechanical puzzle. The first concerns Stanton, an Englishman lured into a lunatic asylum; the second, Moncada, a young Spaniard trapped in a monastery and then an Inquisition prison; the third, Immaele, an "Indian" maiden marooned on a palm-tree island; the fourth, Isadora, a Spanish debutante doomed to an arranged marriage; the fifth, the Walbergs, a loving German Protestant family torn apart by sudden poverty and unemployment; and the sixth, Elinor and John Sandal, two Shropshire lovers ruined by a greedy mother. Each one also contains several sub-tales and anecdotes. But every one of them concerns some sort of imprisonment of the body or the spirit. Even when someone plays chess in Maturin, they break off leaving the Queen en prise.

The pains which most of these intended victims undergo are mental rather than physical, though they can reach forms of torment where the borderline is blurred in hallucination. Here, in a celebrated passage, the young monk Moncada suffers a nightmare on the eve of his interrogation by the Spanish Inquisition:

"The next moment I was chained to my chair again—the fires were lit, the bells rang out, the lanterns were swung—my feet were scorched by the flames—my muscles cracked, my blood and marrow hissed, my flesh consumed like-shrinking leather—the bones of my legs hung two black withering and nerveless sticks in the ascending blaze—it ascended caught my hair—it was crowned with fire—my head was a ball of molten metal—my eyes flashed and melted in their sockets—I opened my mouth, it drank fire closed it—fire was within—and still the bells rung on, and the crowd shouted, and the king and queen, and all the nobility and we burned and burned!"

Strikingly horrible as this passage is (and pointing, in its rhythms, especially, towards Edgar Allan Poe), it remains within the hyperbolic conventions of eighteenth-century Gothicism, only a breath away from ludicrous laughter. Indeed it is in this suppressed laughter, on the reader's part, that much of its terror-power, probably of its *Horror* power, lies. Not for nothing Maturin was dubbed "the Fuseli of novels."

Who was the obscure Irish curate who created Melmoth and his labyrinth of victims? How did he become such an epicure of terror and oppression? Charles Robert Maturin was no clerical jargon-bird or insouciant priest; and he lived quietly enough through the upheavals of the French Revolution and the first bloodbath in Dublin, under Wolfe Tone and Emmet. Yet these things left their inner mark, and later in life he claimed that a Huguenot ancestor had spent 26 years in the Bastille.

Born in 1780, the youngest son of a prosperous Irish civil servant, Maturin graduated at Trinity College, Dublin, and took Holy Orders in the Protestant Church. His first curacy was at the remote country town of Loughrea, in Galway, and here he came in touch with the profound superstition and misery of the local people. By the age of 24, however, he had been appointed as one of the curates of St Peter's, living in the fashionable quarter of St Stephen's Green in Dublin, with a stipend of some £80 per annum. He was a youthful, elegant figure—his portrait shows something of a clerical dandy, with open shirt and graceful fingers—and he quickly married his childhood sweetheart, Henrietta Kingsbury, who had musical talents and useful connections with the Irish Episcopacy.

But Maturin was disappointed in his hopes of early preferment. His seniors found him too colourful and unstable: a love of dancing, amateur theatricals, and mischievous mimicry, alternated with strange fits of melancholy and distraction. He also revealed an inconvenient literary bent—publishing in rapid succession a series of garish romances: *The Fatal Revenge* in 1807, *The Wild Irish Boy* in 1808, and *The Mission Chief* in 1812. This was not the curriculum vitae of a future Bishop.

Maturin's Preface to the latter work is revealing of his situation as he saw it at the age of 32: "If I possess any talent, it is that of darkening the gloomy, and deepening the sad; of painting life in the extremes, and representing the struggles of passion when the soul trembles on the verge of the unlawful and the unallowed. In the following pages I have tried to apply these to the scenes of actual life: and I have chosen my own country for the scene, because I believe it is the only country on earth where, from the strange existing opposition of religion, politics, and manners, the extremes

of refinement and barbarism are united, and the most wild and incredible situations of romantic story are hourly passing before modern eyes. In my first work I attempted to explore the ground forbidden to man; the sources of visionary terror; the formless and the void; in my present I have tried the equally obscure recesses of the human heart. If I fail in both, I shall—write again."

Maturin's sense of being trapped in Ireland, his clerical career frustrated and literary recognition remote, was now compounded by financial crises. His father was sacked from the senior position in the Dublin Post Office on an unfounded charge of malfeasance; and a distant relative, possibly a rascally cousin, inveigled Maturin into going security on a business that promptly went bankrupt. Plunged into debt, and with a household now including nine dependents and his difficult old father, Maturin desperately took on private pupils, and wrote away more furiously than ever. The autobiographical basis of Melmoth's tales—the Walbergs family—was already taking shape.

Then in 1816, Maturin's fortunes dramatically changed. He had decided to try his luck with a stage melodrama, and the resulting script—*Bertram, or the Castle of St Aldobrand*—reached the notice of Walter Scott, who passed it on with amused recommendation to Byron, then chairman of the Drury Lane Theatre Committee. A single stage-direction catches the flavour of the piece: "The Rocks—The Sea—A Storm—The Convent illuminated in the background—A group of Monks on the Rocks with Torches—A Vessel in Distress."

To Maturin's amazement, the play was immediately successful. Production was mounted in May, 1816, with

Kean in the star role. Byron sent him 50 guineas; John Murray bought the book copyright for £350; and box office receipts earned him more than £500. Maturin visited London (the only time in his life he ever left Ireland), was applauded at Drury Lane, and did a breathless round of the literary drawing rooms. He was ecstatic! For a brief, brief moment he was famous, and what is more, free.

Back in Dublin he lived in a dreamlike whirl. He was the hero of his own household. He bought Turkish carpets, ornate marble tables, silk wall papers, elaborate lusters, and had his parlour expensively paneled with painted boiseries depicting the scenes from his novels. He became a habitué of Lady Morgan's Dublin salon, indulged his passion for dancing "with young persons" (even joining a racy Gavotte Society that met three mornings a week. (There are some nasty dancing metaphors in *Melmoth*.)

"His character, habits and opinions seemed to undergo a total alteration," a friend later wrote. "He returned to Ireland, gave up his tuition, indulged in the intoxications of society, and became a man of fashion, living upon the 'fame of his genius.' He was 36."

At this time he was said to sit composing amid his own house parties, with a red patch pasted on his forehead to indicate that he was in the throes of creation. Subsequently that patch must have come to seem like the mark of Cain.

Maturin's time of triumph was bitterly short—less than a year. His subsequent melodramas—*Manuel* (1817) and *Frederick* (1819)—flopped hopelessly at Drury Lane and Covent Garden. Coleridge wrote a destructive review of his work, which he unkindly republished in the *Biographia Literaria*. A scheme of Byron's, to make over the royalties from his poems, fell through because of Murray's

objections ("It could be in no respect different to you—whether I paid it to a whore or a hospital—or assisted a man of talent in distress," complained Milford)—and the three intended beneficiaries, Maturin, Godwin, and ironically Coleridge, received nothing.

Maturin's old debts absorbed all his remaining royalties. He was soon writing to Murray: "There is not a shilling I have made by *Bertram* that has not been expended to pay the debts of a scoundrel for whom I had the misfortune to go security, so here I am with scarce a pound in my pocket, smirking at congratulations on having made a fortune." One catches the bitter lilt of his voice.

By 1817, the complaints had become more pathetic. "Let me beg you to write to me. I cannot describe to you the effect of an English letter on my spirits; it is like the wind to an Aeolian harp. I cannot produce a note without it. Give me advice, abuse, news, anything or nothing (if it were possible that you could write nothing), but write—"

For Maturin the iron door of circumstance had clanged shut once more, and this time forever. "There is no room for Irishmen in England," he groaned.

"It was in this dark mood that he began to scrawl down the first wild tales that turned into the maze of Melmoth's wanderings across Europe in search of salvation. Much of his adolescent reading, from the Arabian Nights and Glanville's *History of Witchcraft*, to Percy and Ossian and La Religieuse of Diderot, swam back into his mind; so too did personal memories of the Dublin street riots, the English suppressions, and the disturbed visions of his country parishioners (many footnotes in *Melmoth* attest to these). But the master-idea, said Maturin, came to him during the course of a late Sunday evening's sermon at St Peter's in 1817.

He was speaking gloomily of the infinite mercy of God, and

looking down at his little flock amid the flickering candle-light, he suddenly exclaimed: "At this moment there is one of us present, however we may have departed from the Lord, disobeyed his will, and disregarded his word—is there one of us who would, at this moment, accept all that man could bestow, or earth afford, to resign the hope of his salvation? No, not one!—not one—such a fool on earth, were the enemy of mankind to traverse it with the offer!"

A silence fell in the church, the wind howled, and as the French say an angel—or something worse—walked overhead. Maturin testifies that in that silence, he reflected on his own lot, and somewhere a pair of bald eyes first opened their lurid lights, and Melmoth was born—or reborn—and began walking on the wild cliffs of county Wicklow. The passage can still be read in his published *Sermons* (1819).

While he wrote *Melmoth*, Maturin seems to have become a ghost of his former self. He had gone bald. The expensive furnishings of his house in York Street were progressively flung off, and even the stone flagged corridors left uncarpeted.

He no longer composed in the cheerful parlour, but took long solitary afternoon walks and returned after dark to shut himself up in his study to write. As he walked, he seemed to withdraw into some kind of bleak inner world, his quill pen moving with sinister speed as if under dictation. A Dublin friend recalled of this time:—

"I have remained with him repeatedly, looking over some of his loose manuscripts, till three in the morning, while he was composing his wild romance of *Melmoth*. Brandy and water supplied to him the excitement that opium yields to others; but it had no intoxicating effect on him; his action was, if possible, more strange, and indeed terrible to witness. His mind travelling in the dark regions of romance, seemed altogether to have deserted his body, and left behind a mere physical organism; his long pale face acquired the appearance of a cast taken from the face of a dead body; and his large prominent eyes took a glassy look; so that when, at the witching hour, he suddenly, without speaking raised himself, and extended a thin and bony hand, to grasp the silver branch with which he lighted me down the stairs, I have often started, and gazed on him as a spectral illusion of his own creation."

No doubt this description has gained a certain blarney in the retelling. Yet its correspondences oddly with the sensation of blind, headlong speed in Maturin's narrative, which makes it so readable, and prompted the *New Monthly Review* critic of 1821 to observe: "Maturin will ransack the forgotten records of crime, or the dusty museums of natural history, to discover a new horror. He is a passionate connoisseur in agony. His taste for strong emotion evidently hurries him on almost without the concurrence of his will."

A hundred years later, André Breton recognized in it the *écriture automatique* of Surrealism. Maturin's publisher—now Constable of Edinburgh—reacted more frostily. Why did the chaotic instalments of manuscript have no pagination? Where was the logical link between the tales? What was the title to be? How could a reader ever reach the end without chapter summaries? And anyway, why was it so late?

In retrospect, it is clear that the asymmetrical, labyrinthine structure of the tales is one of the main sources of their weird power. The further the reader enters in, the more he is overwhelmed by a vast, intricate suffocation and apprehension. At all the time the narrative moves at relentless pace. It is like a prisoner rushing to escape through a Piranesi-style series of bifurcating, subterranean mazes, with only one path leading him deeper, and deeper underground. At each twist or intersection, sooner or later, he glimpses the figure of Melmoth, lurking from the shadows, grimly proposing his bargain. The final effort may even strike the modern reader with an uncanny sense of premonition—here already is something like the dark, closed universe of Kafka's *Castle* or Solzhenitsyn's *Gulag Archipelago*.

In the most avowedly romantic of the tales, the story of the innocent Indian maiden Immaele, or her beautiful desert island, Melmoth himself is her demon lover. He tries deviously to corrupt her mind with distorted accounts of mainland civilization, which he shows her—in a scene surely predestined for the stage—through a powerful telescope. Immaele is the figure who comes closest to redeeming Melmoth by falling in love with him. She is a potential Ariadne. He is the first human being she has ever seen ("the daughter of a palm tree"), and she unravels his sophistries with innocent guile. Through her we realize the limitations of Melmoth's satanically purchased powers, and the paradoxical truth that it is he who is more deeply imprisoned than all his intended victims. Many of their dialogues, full of Rousseauesque naïvetés, have a quaint poetic charm.

"The tempter was departing gloomily, when he saw the start from the bright eyes. Immaele, he caught a wistful, dark, other from the innocent grief. And you were Immaele?" "Yes," said the beautiful being, "I always was when I see the sun set clouds; and will you, the son of my heart, set in darkness too? and will you not again? will you not?" and with the graceful confidence of pueros, she pressed her delicious lips to his hand as he spoke. "Will you not?"

In the end Melmoth simply cannot bring himself to seduce her, and he utterly abandons her to the lonely island of pinks and blossoms, as shadow passes over the moon. But the idyll is brief, and the labyrinth here doubles back with particular cruelty. Under the name of Isadora, Immaele turns up again in Madrid, rescued, educated and refined. She is swiftly carried off seduced and married again her parents' will, and ends her days in yet another dungeon with a dead child in her art. There is no escape for anyone.

Yet Melmoth is never successful in his temptations of one of his victims finally away, and by the end of the novel it is Melmoth himself, returned after 150 years to the coast of Wicklow, who is at last called to account. A touch of the Irish charm does not desert him, though. "His hair was as white as snow, mouth had fallen in, the muscles of his face were relaxed and withered—he was the image of hoary decrepitude. He started himself the impression which appearance visibly made on intruders. 'You see what I feel,' he exclaimed, 'the he then is come, I am summoned and I must obey the summons—my master has called me for me! What a wretched life! I have often pursued its burning path towards the sun—look up, perhaps you may think of a spirit condemned to guide a blazing and erratic orb.'"

Maturin testifies, opening a unsettling possibility. Melmoth might continue to rove the world, "seeking for whom might devour", in centuries come—"should the four terms of his existence renewed."

Maturin eventually received £500 from Constable for overdue manuscript, but terms of his own contract were never renewed. A mere 6 years after his publication of his masterpiece, he died gloom and genteel poverty aged forty-four. Fame never reached him properly again. When Walter Scott, the faithful of his literary saviours, journeyed to Dublin order to collect material for a biography, he found that most of Maturin's private papers had been destroyed by his family.

Maturin had written that was "one who has little known little of life but laboured distress and difficulty, and has coloured of his own pages from the shade of obscurity and a fortune under which his existence has been wasted." Melmoth he added: "Let him who smile at me, ask the selves whether they have not indeed most to imagine reality for all they have enjoyed—if indeed they have enjoyed anything."

Despite its Gothicism, and of the deepest inspiration *Melmoth the Wanderer* is a fondly and timeless Irish draws on images of age, subjection and persecution, lights them with a faint, otherworldly glow, and touches upon the spiritual nature of captivity—social, religious, political—in a way not often been more accessible to the European than English mind. Perhaps this was one of the reasons Wilde, with a kind of pious gallantry, adopted grand-uncle's strange career when he went into sad exile France.

How oddly delighted Reverend Maturin would have been, if he had lived even a little longer. He would have learned that Charles Baudelaire that other spilt priest—proposed to translate *Melmoth* unabridged into French, and how moved he might have been to read the following page from his "Poème du châtiment" (1858):

"Let us remember Melmoth that admirable emblem, horrible suffering lies in disproportion between marvellous faculties, acquired instantly by a satanic pact, the everyday world in which as a creature of God, he continued to live. And a of those whom he wishes seduce consent to purchase, those same conditions, his rible privilege. In effect, man who does not accept conditions of life, sells own soul."

Yet one stranger speculation remains. If Melmoth's pact was renewed—where, he now?

Footnote: *Melmoth the Wanderer* is available in Penguin and the World's Classics series. The fullest modern study of Maturin is by Claude F. F. Edmonds, *Universities*, 1974. © Richard Holmes.











PERSONAL CHOICE



Sheila Ruskin who plays Cassia in Doctor Who (BBC 1, 5.10)

After tonight's transmission of Gounod's Faust (BBC 2 and Radio 3, 7.10), I expect to get the usual crop of letters protesting about the injustice of Britons having to listen to opera in a language they don't understand. If the English National Opera can stage nothing but English-language versions, they argue, why can't every body else? I am not going to become embroiled in that one, except to say that English subtitles are provided tonight for anyone whose French is rusty, and that experience shows that, if you try to fit English words to, let us say, the murky elyons trio in the finale of Act 5 of Faust (Anges), the results can be pathetically mediocre, if not downright silly. Tonight's Faust is the one staged by the Chicago Lyric Opera in 1979.

Nobody, I believe, would claim that the two Bette Davis late-1930s films on BBC 2 this afternoon (That Certain Woman, at 1.30 and The Old Maid, at 4.20), represent Miss Davis at her best. We can see them now for what they were: mere warming-up exercises for her extraordinary performances in the 1940s. But this is not only a Bette Davis double-bill. More importantly, it is an Edmund Goulding double-bill. It has been well said of the British-born Mr Goulding that no Hollywood director of his era could surpass him as a sophisticated observer of greed. But the full flowering of his talent, like Miss Davis's, was not to be seen until the 1940s.

With one exception, Saturday-Night Theatre, all my radio recommendations for today avoid clashing with the Radio 3's simultaneous broadcast with BBC 2 of the Chicago Lyric Opera production of Faust (7.10). As a counter-balance to the stern realities of back-bench life, survived by those young in the Week in Westminster (Radio 4, 10.05 am), there is Bruce Stewart's romp There's Almost Always an England (Radio 4, 8.30). It is about a diplomatic party which gets so out of control that the woman foreign secretary finds herself pregnant. Elizabeth Bell plays the minister in question.

Anna Calder-Marshall, who plays Hermione in tomorrow night's BBC 2 production of The Winter's Tale, discusses the play in Prefaces to Shakespeare (Radio 4, 3.25). Robert Eagle concludes his wholly admirable Alternative Medicine series with an investigation into osteopathy. ... There is rarely much drama among the gold in Margaret Howard's Pick of the Week (Radio 4, 10.45 am). And Frank Delaney's traditionally sympathetic way with literary giants should ensure some good listening when he talks to Anthony Burgess (Radio 4, 10.15 pm).

WHAT THE SYMBOLS MEAN: \*STEREO; \*BLACK AND WHITE; (r) REPEAT.

Broadcasting Guide

Edited by Peter Davalle

TELEVISION

BBC 1

9.05 Horneback: Holidays on horseback. With David Vine. (r). 9.30 Multi-Coloured Swap Shop: Kaleidoscopic magazine for children. With Tony Jacklin, Mike and child actor Ricky Schröder (The Champ, Little Lord Fauntleroy). 12.12 Weather forecast. 12.15 Grandstand: The line-up: 1. 12.20 Football Focus: Racing from Wetherby at 12.50, 1.30 and 1.50. 12.30 International Motor Racing (the South African Grand Prix) at 1.10 and 2.10. 1.30 World Cup Skiing: The Men's Downhill (from the Schladingen) at 1.40. 1.50 International Rugby Union (Scotland v. Wales, from Murrayfield) at 2.20. 2.40 Ireland v France, from Dublin, at 4.00. 5.10 Doctor Who: Episode 2 of The Keeper of Traken. Will the

time adventurer ever see the Tardis again? 5.35 News: with Kenneth Kendall. 5.45 Sports news. 5.50 The Dukes of Hazzard: Luke and Bo are involved in a marijuana heist. 6.35 Jim'll Fix It: And the things that Jimmy Savile 'fixes' for children include a session in the Mastermind chair; a chance to be a teacher for a day; and the serving of a meal on board the Bluebird. 7.10 Nanny: Trompe l'oeil. This week, Wendy Craig, who has now had a year as nanny to the Sackville family, spends a day out in the country. 7.30 The Dick Emery Show: Mr Emery and Rev Kincaid become guides at Longleat. Lord Bath makes a guest appearance. 8.40 News. And sports round-up. 8.55 Dallas: Pam is discovered

having a secret rendezvous, and the rift between Miss Ellis and Jack deepens. 9.45 Parkinson: 10.45 Film: Sex and the Single Girl (1964). Unsatisfactory comedy about a psychologist (Natalie Wood), whose best-seller on marital problems becomes a target for a scandal sheet run by Tony Curtis. Also starring Henry Fonda, Laurence Olivier, and Richard Gere. 11.35 Weather forecast.

Regions

12.30 News. 12.35 BBC 2 News. 1.30 News. 1.35 BBC 2 News. 2.30 News. 2.35 BBC 2 News. 3.30 News. 3.35 BBC 2 News. 4.30 News. 4.35 BBC 2 News. 5.30 News. 5.35 BBC 2 News. 6.30 News. 6.35 BBC 2 News. 7.30 News. 7.35 BBC 2 News. 8.30 News. 8.35 BBC 2 News. 9.30 News. 9.35 BBC 2 News. 10.30 News. 10.35 BBC 2 News. 11.30 News. 11.35 BBC 2 News. 12.30 News. 12.35 BBC 2 News.

BBC 2

10.10 Open University. Tackling TMA's: 10.35 Consumer decisions. 11.05 Health choices: 11.25 Done on the Range: 11.50 Countdown to the 0114: Countdown to 12. Lord Fauntleroy. 2.30 Film: That Certain Woman (1937). Drama, with Bette Davis as the widow, past catches up with her when she visits the grave of her husband, killed in the St Valentine's Day Massacre. With Henry Fonda, from Hammer. Director: Edmund Goulding. (See Personal Choice). 3.50 Play Away: Comedy and music from Abercrombie, with Wally, with Brian Cant, Kim Goody, Roger Martin.

4.20 Film: The Old Maid (1939). Romantic drama set in American Civil War days, with Bette Davis as an unmarried mother in conflict with her nasty cousin (Miriam Hopkins). With George Brent, Jane Bryan. Director: Edmund Goulding. 5.50 Don't See... The TV programme under discussion includes Sons and Lovers, Solo and TV Eye. The commentators are Anna Karenina, John Piller and Valerie Cunningham, joint in English at Oxford. 6.25 Grand Prix: The South African Grand Prix. With Sir Kenneth Williams. And sports round-up. 7.10 Faust: The Gounod opera

(also on Radio 3, in stereo). Recorded at the Lyric Opera, in Chicago. With Maria Callas as Marguerite, Nicholas Gheorghiu as Valentin, and Alfredo Kraus in the title role. Georges Delaunay conducts. (See Personal Choice). 9.50 Sons and Lovers: Episode 4 of Trevor Griffiths' adaptation of the D. H. Lawrence novel. First seen last Wednesday night (r). 10.45 The Old Grey Whistle Test: With Russ Ballard and Free. The presenter is Anne Nightingale. 11.25 News. 11.30 The Outer Limits: The Spectra One. Science fiction yarn about a specially fitted child and his tutor. Ends at 12.25.

London Weekend

8.35 am Sesame Street: Easy learning for children. With The Muppets. 9.35 Chopper Squad: 10.10 News. 10.15 News. 10.20 News. 10.25 News. 10.30 News. 10.35 News. 10.40 News. 10.45 News. 10.50 News. 10.55 News. 11.00 News. 11.05 News. 11.10 News. 11.15 News. 11.20 News. 11.25 News. 11.30 News. 11.35 News. 11.40 News. 11.45 News. 11.50 News. 11.55 News. 12.00 News. 12.05 News. 12.10 News. 12.15 News. 12.20 News. 12.25 News. 12.30 News. 12.35 News. 12.40 News. 12.45 News. 12.50 News. 12.55 News. 1.00 News. 1.05 News. 1.10 News. 1.15 News. 1.20 News. 1.25 News. 1.30 News. 1.35 News. 1.40 News. 1.45 News. 1.50 News. 1.55 News. 2.00 News. 2.05 News. 2.10 News. 2.15 News. 2.20 News. 2.25 News. 2.30 News. 2.35 News. 2.40 News. 2.45 News. 2.50 News. 2.55 News. 3.00 News. 3.05 News. 3.10 News. 3.15 News. 3.20 News. 3.25 News. 3.30 News. 3.35 News. 3.40 News. 3.45 News. 3.50 News. 3.55 News. 4.00 News. 4.05 News. 4.10 News. 4.15 News. 4.20 News. 4.25 News. 4.30 News. 4.35 News. 4.40 News. 4.45 News. 4.50 News. 4.55 News. 5.00 News. 5.05 News. 5.10 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## Travel I

## End of season sale

Towards the end of December, I ventured to suggest that you might benefit by waiting a while before making your holiday bookings, and even that you should haggle with your travel agent in order to obtain financial or other advantages. My reasoning was that there were too many holidays on offer and in a buyers' market the manufacturers were likely to reduce their prices and the retailers offer inducements to gain your business.

The result of this was a predictable number of letters from ruffled tour operators and travel agents—I had no idea of the complexities of their trade; I was completely out of touch with the facts; I was out of step with other journalists who were reporting excellent booking trends, and so on—and a critical/humorous article. The Order of the Carter in our travel trade paper is its anonymous author clearly reads this column this is the only way I can compliment him on his style, if that is the word, and wonder whether he will quote similarly selected sections from today's article.

But in the face of that reaction and that criticism, what have we here? None other than Mr Sidney Silver, the managing director of Cosmos Holidays and much respected figure in the travel industry, forecasting "panic discounting" of summer holidays by some tour companies.

By March, some operators will be paying clients to go away. They'll be selling at 1980 prices, but with 1981 costs. He made that statement (quoted in the trade newspaper mentioned above) when meeting travel agents in South Wales. His opinion of the state of the market is echoed by others who have spoken privately to me but who will not be persuaded to speak for publication for fear of retribution as a consequence of rocking the boat. What is said inside the travel industry does quite often conflict with what is said publicly, and I must confess surprise at the gullibility of some of my colleagues who pay on and publicize the claims of "a holiday bookings bonanza" and the like. This schizophrenic attitude is epitomized for me in the reactions to my December article of a travel agent who claimed that he had no need to offer inducements as business was excellent, then a week or so later was offering £4 per person off the cost of any holiday to those who clipped a coupon

from his local newspaper advertisement. Obviously not all is gloom and despondency. Individual companies may be doing particularly well to one destination or another, for instance, and some of the smaller specialist operators are reasonably content with 1981 prospects. But overall the market for summer holidays is down and, as the number of holidays on offer was increased by something like 20 per cent over the 1980 figure anyway, I can understand why the travel trade is anxious to get things moving.

A lack of bookings affects us, as holidaymakers, in two ways. First, a particular holiday that is not doing well will often be amalgamated with another in the brochure—the trade calls this "consolidation" and I have written about it here previously. Because of it, we find our plans having to be altered, and extremely inconvenient it can be.

Second, that surplus of empty seats on the charter holiday flights, or some of it, can find its way on to the market via the "bucket shops"—about which I have also written, and the origin of whose name I am still seeking. This week I talked with the proprietor of one such shop who tells me he is being flooded with seats for disposal.

Remembering to make an allowance for his understandable enthusiasm and/or bias, the fact that he claims "25 per cent more seats available than last year" might be of interest. It certainly will be to that growing number of people who choose to purchase cut price tickets and assemble their own holidays from the offers of villa and hotel accommodation that are made via the small advertisement columns of this and other newspapers.

To the embarrassment of the tour companies such independently minded people often travel in company with those who have purchased the complete "package holiday" and upset the latter by confiding how much they paid for their ticket. They sometimes—though not so often—go further and compare the cost of their independently assembled holiday with that of the pre-packaged variety, to the detriment of the latter.

An indication of what is to come has been given by the cutting of prices on British Airways Sovereign winter holidays—a sort of end of season sale. And I received news this week that Blue Sky holidays,

part of the British Caledonian travel group, is offering substantial discounts on holidays this month. Up to £20 is being cut from the price of seven night holidays, and up to £40 on fourteen night holidays.

As a result of introducing Tristar on to its routes six months ago, British West Indian Airways have a lot of extra seats to sell, and have reduced Advance Purchase Excursion (APEX) fares on the services to Trinidad and Barbados. The low season return fare to Trinidad has been cut by £78 to £290, and the high season fare is £340 return—a cut of £126. Those new fares take effect immediately, although one must make an allowance for the time required by the rules of advance purchase. The new fares to Barbados take effect on April 1. The basic season return is £224, a reduction of £71.50, and the peak season return will be £350, a reduction of £38. I imagine that these, and other reduced fares, should eventually affect the price of inclusive holidays based on BWA flights.

Returning to the subject of inclusive holidays, the tour companies are anxious to avoid a price cutting free-for-all and some are reminding travel agents that no holiday may be offered at a price below that printed in the brochure without the consent of the tour company. I have the impression that the harsh realities of the present market place may cause operators and agents increasingly to overlook that aspect of their business arrangements.

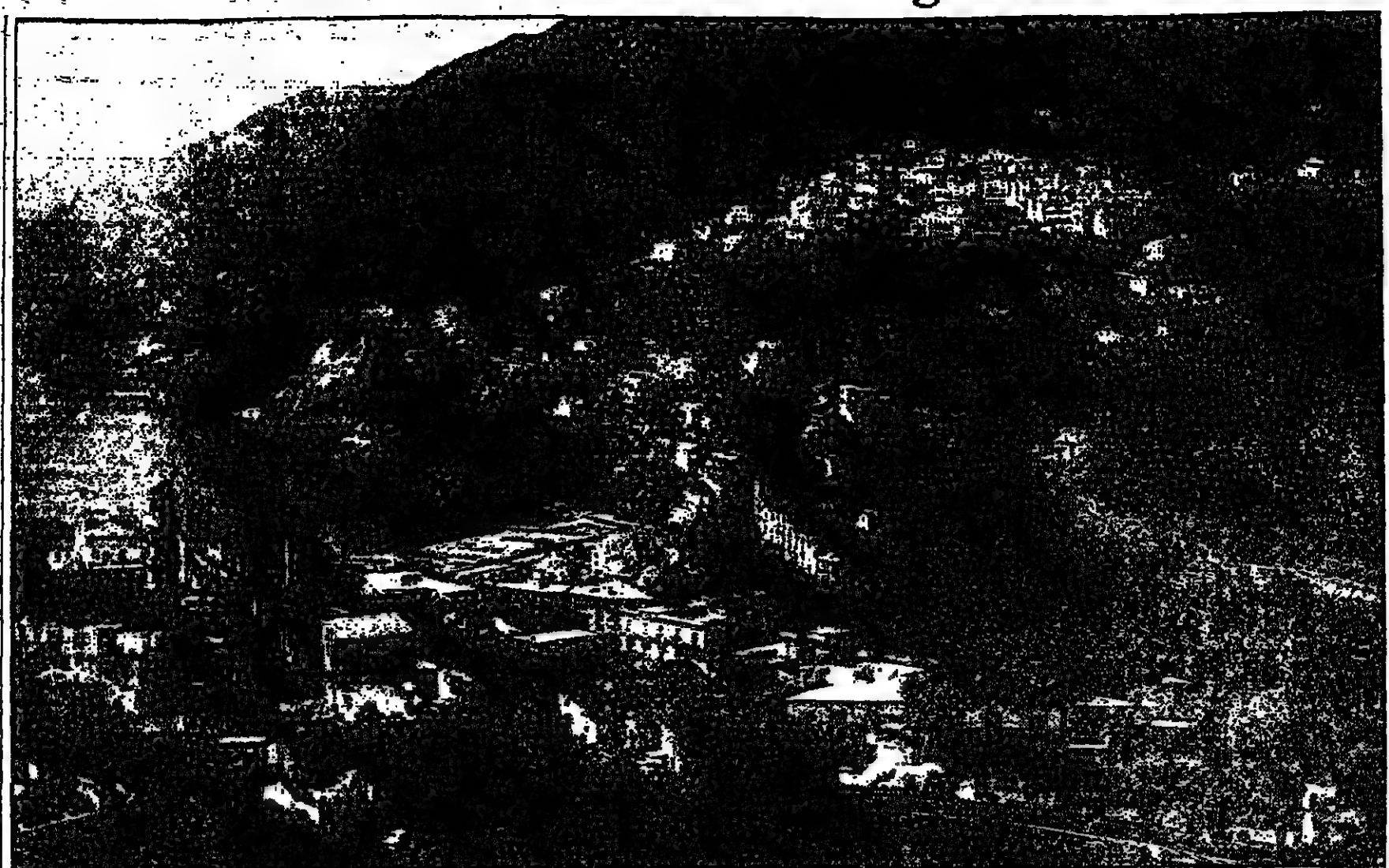
And, with due acknowledgment to the travel trade press, I will return to the comments of Mr Silver at that meeting in South Wales. Commenting that some tour operators with their own airline might be looking cheap because they do not keep their aircraft flying, he acknowledged that there was already some dumping of seats on to the discount market. "That's fine for the public, but it could be dangerous", he is reported as saying. "I'm not suggesting that anyone is going to go bust, but one or two people are going to take risks and may be financially stretched."

I wonder who he has in mind? Perhaps I shall have to ask my knowledgeable colleagues on the business news pages, who know so much more about the intricacies of finance than I.

John Carter

## Travel II

## No wonder tenors want to go back



Vietri sul Mare, one of southern Italy's many attractive resorts.

Mixed impressions, mixed feelings are what one must bring back from a three-day trip around the Campania and Basilicata regions of southern Italy, especially as the project was designed specifically by the Italian State Tourist Board to show European journalists that despite the devastation of the earthquake on November 23 they are ready, able and eager to welcome visitors this year.

Some of the best known resorts in Europe are in these parts and it must be said that at a quick glance they appear to have suffered little from the disaster, the full force of which is stated officially to have left some 3,600 dead, 8,400 injured and many thousands homeless. In Naples many old buildings gave way under the strain. But it is said in the city that had they been inspected the day before the earthquake they would have been condemned anyway.

Hotels escaped comparatively lightly (out of Campania's 1,500 there are four that cannot be used and 130 that are partly usable) and it was emphasized that hoteliers had readily put their premises at the disposal of the homeless—the government will eventually foot the bill for accommodation, compensation and reconstruction. Relinquishing schemes are under way and it is expected that some 200 displaced people still in hotels will have left by the beginning of April.

Signor Nicola Signorello, Minister of Tourism and Entertainment, underlined the point that foreigners coming to southern Italy this season would help not only financially but also by boosting the devastated morale of the population in the hardest hit areas.

Our visit coincided with what locals were describing as the coldest winter spell for more than 30 years—in other

words, slightly chilly by British standards—but nothing can chill an Italian's love of the dramatic gesture and it is this utterly different atmosphere that is one of the Mezzogiorno's main charms. Dining at a Neapolitan restaurant, for instance, is a revelation, rather like the San Carlo opera house without music, unless you happen to catch the eye of a wandering minstrel out to make some quick lire. Waiters weave at speed among customers hanging around for tables, spaghetti is juggled in the kitchen and everyone is marvellously good humoured.

And, of course, there is the driving, which all seems to be done in Fiat. Red lights are ignored if the driver thinks it is safe to proceed (Italian drivers are great optimists) and the green "Avanti!" is a sign for pedestrians to race fearfully across the road. No wonder Italy has produced the world's fastest sprinter—why do they not win all the car rallies as well?

Sadly, just as we had no time to linger over the splendours of Naples or stroll through orange and lemon groves or do more than gaze from afar at the splendid beaches of Ischia, Capri and Amalfi—home of the legendary sirens who had a fatal charm for ancient mariners—we had less than two hours at Pompeii with an excellent guide who knows every stone of the place and is disturbed at the way frescoes are exposed to sunlight and careless hands) and superb mosaics are crumpled underfoot. Italy treats its priceless Roman remains with an insouciance that must horrify foreign museum curators.

By a disastrous irony, the ruins that have endured at Pompeii and Vesuvius wrecked havoc in AD 79 were damaged by last November's

quake, so much so that the ghost city was closed to the public and only reopened this month. Some of the avenues, signposted "Pericolo", are still fenced off but there is much to see, including the house of the two bachelor Vetii brothers with its murals and priapic fertility symbols standing up well under the searching scrutiny of centuries.

We approached Sorrento in the best possible way, from the sea, aboard the hydrofoil. Amalfischia after our stops at Ischia and Capri. Sorrento has been a holiday centre since Augustus and Tiberius, but its charms were not apparent to some holidaymakers from north-east England who told me that their package had been far from ideal and that high prices in restaurants and hotels bore little relation to those in the shops.

On the other hand, I was stopped in the street by a Sorrento resident who said his wife was English, they bought the Times, Telegraph and Mail every day, and I was to write that the town was beautiful and unaffected by the quake. In fact, one hotel was destroyed and another badly damaged but it is an attractive town and I can understand why so many tenors want to return to it.

Maratea, a four-hour coach drive from Amalfi—and it is a spectacular coastal route until you hit the autostrada—is equally charming with its narrow, steep streets in the old town and the dominant Monte San Biagio (named for Maratea's patron saint) topped by Bruno Zevi's 72ft-high statue of Christ.

So many tantalizing glimpses, so many intriguing stones left unturned... but plenty to indicate that in its irresistible way the south is rising again.

Richard Bruton

## Drink

## Out of the rocks

The Dao region in north Portugal is wild, remote, picturesque. It is almost enclosed by mountains, the summers are warm but the winters can be bitterly cold and wet. The vines, in plots between the pine forests, are occasionally terraced, mostly trained low on wires. The soil—if such it can be termed—is granite, so that planting has to be done by battering holes in the rock, or blasting.

It is an exhilarating place to explore, perhaps from the exuberantly baroque and blue-tiled Palace Hotel at Bussaco, which has its own unique wines: this is an hour's drive from the Dao capital, Viseu, a charming, historic town. The local restaurants (the Corrico is outstanding) feature the robust regional fare, including game, bird and dishes redolent of the mountain herbs also home produced brandies, one of these being a curious "aguardiente velho" containing olives.

Viseu is the headquarters of the Federação dos Vinicultores do Dao. They can, on request, provide detailed information for the seriously interested and their seal must be on every bottle of Dao shipped. They stress the importance of cultivating the local vine varieties, as they do not want any modification of traditional Dao style by the introduction of other European wine grapes. This accords with wine Portugal's wine policy of making no compromise about names or "commercializing" historic wines into insipidity. Indeed, Dao cannot be compared with any other wine and, from the numerous examples now on sale, each individual, there is a uniformly high quality maintained.

About 90 per cent of Dao is red but some white grapes are used even for this.

Most of the wines are handled by the cooperatives, although there are some individual estates. As much of the wine goes through installations which may or may not be in the area, it is the name of this

firm that is important when distinguishing between different styles. Vintages do not seem to vary much, unless there is a disastrous year and all the red wines get some maturation in wood, varying from 18 months to about three years, the "reservas" being aged for longest. In general, 10 years is a good life for most Daos, when the dark ruby tone lightens slightly, the aroma becomes more enticing, the flavour develops a soft, lingering character, and the fruit is accentuated.

The whites, as might be expected, do not seem to improve much after a few years and they are big, dry wines. Grillo Wines (Little Knox bridge, Cranbrook Road, Supplehurst, Kent) have the white Terras Altas 1975 José Maria Fonseca for £2.29 and the Malmos Wine Club (St Pancras Chambers, Euston Road, NW1) have the white 1969 Garrafeira Particular of Caves Alliana for £3.65. Both are too bold for aperitif drinking, but good with the seasoned and recipes so much a speciality of Portugal. The Terras Altas is minerally dry, evocative of its granite and schist vineyards, the Alliana more graceful.

The 1972 Conde de Santar, trim, close-knit and individual, is among the red Daos available here—£2.80 from some branches of Victoria Wine, or on order from them. A highly esteemed wine is the 1971 Ribalonga, costing £2.20 from Cullens, Wine Mart & Gourmet & Goble-branches (head office 142 Battersea Park Road, SW11). Ribalonga wines usually possess elegance and give the drinker something to discuss. Grillo Wines list the 1972 and 1976 Terras Altas, costing £2.73 and £2.29 respectively; this pair shows how a straightforward wine can, with some age, develop a rounded, cosy character.

A dinner-table comparison of these, with their J. M. da Fonseca style, with that of Ribalonga or, as a concluding wine, the 1970 Reserve of Caves Aca-

cin would be very interesting: the Acaico is a giant, the initial smell and even the first taste seeming cold, aloof, but the wine then reveals a warm-hearted flavour with an impressive fruitfulness emerging. £2.98 from Les Amis du Vin, 51, Chiltern Street, W11. Or, for a special occasion, you might compare this wine with the 1970 Reserva of Adegas Cooperativas (their white wines are worth seeking by visitors to Portugal). This costs £2.78 from Grillo Wines and its silky character makes it advisable to serve it before the Acaico wine: the bouquet is fresh and delectably reminiscent of pinewoods, the fine crimson colour and the crescendo of flavour are marked.

One major range of Dao is Grao Vasco, named after the painter whose home town was Viseu. The wines are definite in style, the whites markedly steely, the reds with details of flavour and easy appeal. Grao Vasco white, 1978, costs £2.65, the 1976 red (which will improve for several years) is the same price, both being available from Benarols of Kingston, Kendal Milne of Manchester, and Carrefour Hypermarkets.

A smoother version, Grao Vasco 1973, costs £2.85 from Edward Sheldon, Shipston-on-Stour, Gloucestershire, or, as a wine to end a dinner on a high note, there is the 1972 Reserva for £3.25 from Les Amis du Vin, Edward Sheldon and Carrefour Hypermarkets.

For a party, the Grao Vasco 1970 in magnum is a bargain at £5.17 and United Kingdom representatives Rawlings Voigt, 228, Waterloo Station Approach, SE1, will advise inquiries about stockists. Most red Daos seem to benefit by being opened or decanted in advance of drinking and they appear to remain pleasantly so for 36 hours, although, understandably, some bouquet is lost, virtually no flavour seems to decline.

Pamela Vandyke Price

Harry Golombek is unwell. He hopes to resume his chess column in next week's Saturday Review.

## HOSTAL DE LA GAYINA

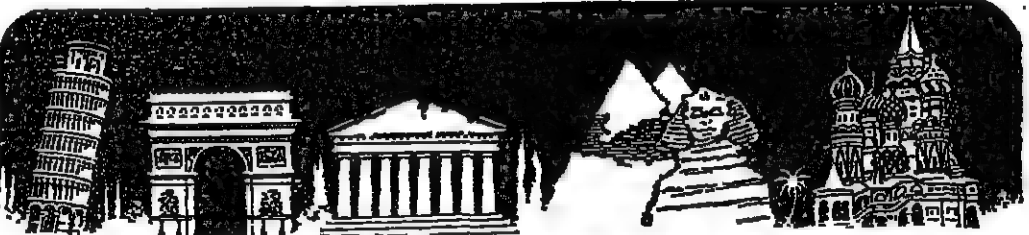
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Barbados harbour police on patrol



## WE'VE KNOCKED DOWN OUR CITIES

CITY/TOUR	AIRPORT/COACH STATION	NO. OF NIGHTS	DATES	FINAL PRICE	SAVING
DEPARTURES BY AIR					
Rome	Gatwick	3	20 Feb	£95	£20
Venice	Luton	4	2,9 Mar	£105	£20
Cities of Italy	Manchester	7	14,28 Mar	£179	£30
Nice	Luton	3	13 Feb	£69	£40
Jerusalem	Luton	7	2 Mar	£220	£40
Jordan	Heathrow	7	26 Feb, 5 Mar	£214	£40
Leningrad/Moscow	Gatwick	7	28 Feb, 7 Mar	£151	£25
Caucasian Tour	Gatwick	7	14,21,28 Mar	£186	£25
Grand Tunisian Tour	Newcastle	7	26 Feb	£185	£35
DEPARTURES BY COACH					
Five European Capitals	Manchester	8	28 Mar	£176	£30
European Highlights	Victoria	11	14,21,28 Mar	£198	£30

This is just a sample of the cities we're knocking down this winter.

There are many more, so see your travel agent before they're flattened altogether.

Holidays are attractive hotels in the cities mentioned. Meal arrangements are for bed and breakfast on city holidays, but most tours include full or full board. Details are in the Winter Sun and Cities Brochure. Prices quoted are guaranteed fixed airport charges, surcharges and insurance have been included. Holidays subject to availability. ATOL 1252C.

**Thomson Winter Cities**

## Jersey brings out the smiles.



We love to come home for the Hols  
Gerry Dunne

Lee and Gerald Durrell see a lot of the world in their travels but can't wait to come home to Jersey and their famous zoo.

The moment you set foot on the island, you'll feel an unmistakable lifting of the spirit. The unique atmosphere of the place will get to you at once.

Although Jersey lies close to the coast of France, you'll be surprised how British it all is. But this is a Britain with long hours of sunshine, smiling faces, a notable cuisine and an unhurried lifestyle. The good humour of the residents may have something to do with their low rates of duty and the total absence

of VAT, that makes shopping a special pleasure. The interior of the island is fresh and green. And the coastline will surprise you with its breathtaking bays.

You can laze on a vast, uncrowded beach. Or industriously follow your favourite sport. At night, you might head for one of the discos, dances or nightspots. And after each exciting day, you'll come up smiling for the next.

This year let Jersey bring out the smiles. Post the coupon for literature and details of our fine hotels and guesthouses to: States of Jersey Tourism, Dept 136, Weighbridge, St Helier, Jersey CI.

**Jersey—the happiest of States.**

Name \_\_\_\_\_  
Address \_\_\_\_\_

## MOUNTAINS AT OFF-PEAK PRICES

Book with your travel agent before the end of February and save money on skiing holidays in February and March.

HOTELS IN	AIRPORT	PRICES FROM	SAVING
Italy	Gatwick	£97	£20
Spain	Luton	£109	£15
France	Gatwick	£86	£20
Austria	Manchester	£101	£15
Switzerland	Manchester	£128	£15

Prices shown are for 7 nights and include surcharges, airport charges and basic insurance, and a minimum of bed and breakfast. Holidays are available from other airports, and are subject to availability.

ATOL 1252C **Thomson Wintersports**

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cost than you could manage yourself. Write for your free brochure to: The Registrar Dept. 38 Mermaid Hotel, St Peter, Jersey CI Tel: 0534 41255.

**Jersey**





Freed American hostages arriving home—some 200 years ago there was another hostage story...

## How the ransom was raised for the other US hostages

As the American hostages alighted from their white Boeing to an hysterical and well-orchestrated welcome, one wondered what the hostages of the first American encounter with militant Islam would have thought.

American seamen were seized on the Barbary Coast of North Africa in the late eighteenth century and released often only after years of haggling by a Congress which set a value of \$200 on each man's head, and even then made the proviso that he might have to pay it back.

But these dirty, emaciated and fever-racked hostages, had their own humble footnote in the establishment of the United States as a world power. Their plight led to the foundation of both the United States Navy and the Marine Corps—whose wars, from the Halls of Montezuma to the Shores of Tripoli, was inspired by these events.

The infant United States soon discovered the disadvantages of military impotence. As colonies they had enjoyed the protection of the leading naval power for their trade, some of which passed along one of the world's busiest shipping routes, the southern Mediterranean passage from the Pillars of Hercules to the Levant.

This was the notorious Barbary Coast, the dark skirts of the Atlas range where they met the Western desert. Once it had been a prosperous province of the Roman Empire but after the Muslim conquest it lived off piracy. The corsair strongholds, Algiers, Tunis and Tripoli, were pashalik emirates who pirated the seas, on the pattern of the Brethren of the Coast of the Spanish Main.

American vessels, unarmed and sailing even without the protection of a convoy, found themselves picked off by pirates who boarded, looted and then, lying in ambush in North African creeks, sometimes the pirate vessel was disguised as a merchant ship. The brig Polly of Boston, for instance, was deceived by pirates disguised as western deck officers. A seaman aboard her who kept a diary of his captivity, said that boarders with "long beards and Muslim dress suddenly appeared over the gunwales, and brandishing scimitars and pistols, rushed through the ship like ravening wolves".

They stripped the American sailors of their clothing and gave them in exchange rags and tatters. They then paraded them through the streets of Algiers "to the tune of huzzas from thousands of malicious barbarians who thanked Allah for such a triumph over so many Christian dogs". Taken before the Dey they were told: "Now I have you, you Christians, dogs, you shall eat stones".

The captives were put to labour, in chains, in mountain quarries, cutting stone which they dragged down to the shore to reinforce the city's mole. The common punishment was the bastinado, whipping the soles of the feet. While their fetters were being rivetted on the Americans were taunted by the Dey with the praises of the immortal Washington. He called on the American Congress to send him a portrait of the general "that he might always have before his eyes the asserter of independence and liberty".

The Congress would have liked to have sent a gunboat,

had it one to send. But the question of military preparedness and the New England merchants and shipowners were outvoted by the southern planters and frontiersmen. Without any warships the United States had no option but to follow the European custom and buy off the pirates.

An American wrote that the Dutch were supposed to pay \$100,000 annually for having their ships pass unmolested; the Spaniards, over a five-year period, paid \$4.5m, while the Venetians found 50,000 ducats to ensure a free run for 15 of their vessels.

A Congress almost bankrupt in winning independence did not feel itself in a position to match such bribes. At first Congress tried negotiating a treaty with the pirate states, using French intermediaries. They discovered that neither France nor Britain, former allies or protectors, could be trusted and negotiations had to be carried out with each state in turn, using American agents.

The Dey of Algiers demanded \$59,496 for delivering up 21 seamen; captains being assessed at \$6,000 mates and passengers at \$4,000 and sailors at \$1,400. Plus tax at 1 per cent "according to custom". Congress authorized the payment of not more than \$200 per man, to be repayable to the government on demand.

Negotiations were referred back to Congress, as in the case of the even more odorous Tripolitans who, when the two future presidents, John Adams and Jefferson, met their representative in London, demanded a tribute of \$100,000 a year. He later scaled his demand down to a "permanent treaty" for only 30,000 guineas. Jefferson played for time, trying to give the corsair the impression that he was indifferent to the captives' fate in the hope that the ransom would be lessened. Instead he brought down on his head the imprecations of his suffering fellow countrymen.

The debate now opened on what price was to be put on national pride. Whereas Adams argued that tribute was worth paying as it was less than the increase in insurance on American shipping caused by piracy, Jefferson held out for the creation of a navy capable of dealing with the menace. He wished to see peace concluded with the Barbary states "through the medium of war," and this he was supported by growing public agitation for some sort of action.

The Navy Bill passed Congress by only two votes. It authorized the building of a class of frigates which packed the strength of a ship of the line into a smaller, sleeker frame.

In the event the United States thrashed out a treaty with Algiers without having to fight. They handed over as a basic payment \$555,000. The common banking house of Baring did not have enough gold and silver to cover the requirement. The Dey, "extremely irritated" at the delay, threatened to renew attacks on American shipping if it was not forthcoming in 30 days. At the last moment the American agent raised the money with Jewish bankers in Leghorn and Lisbon and the captives were freed.

John Crossland

# The lady's not for cutting and running

Fred Emery

One unemployed single man is now estimated to be costing the country £4,835 a year—and a married man with two children, £6,006

That can only apply to one event—the Heath government's famous U-turn, its dash for growth. Although Mrs Thatcher now grandly consigns the past 25 years to the political scrap heap—Macmillan's time along with Heath's—the only government that in her view could remotely have been "getting things right" was Mr Heath's. She knows. She was there, in his Cabinet.

But my point is so were most of the rest of the present Cabinet. They have not all learnt their monetarist lessons; some of the political heavyweights like Lord Carrington, Mr Whitelaw, and Mr Francis Pym, who are removed from direct economic control, have been rather holding their breath. Their refuge is that they cannot see any alternatives, not yet anyway.

The genuine "wets" have of course muttered their apprehensions often enough. If ever they all got together in Cabinet they could persuade the Government to "cut and

run": it is they Mrs Thatcher must be presumed to be resisting. The political problem with the whole stance of "the lady's not for turning" is that it appeals only to her most hardened supporters. When the Government does adjust, even modify its policies, it then finds itself impaled on her earlier categorical imperatives and cannot take credit for its realism. It also gives the impression of begrudging even what Mrs Thatcher calls "selective help" to industry.

Take her attitude to the assistance for British Leyland. It was presented to the public as a lesser calamity than shutting down the whole of the Midlands. No real attempt was made by ministers to champion what was happening at BL as a turn for the better.

There is also apprehension and the need for candour over the effects of unemployment. The Treasury's own written answers state that an unemployed single man is now estimated to be costing the country £4,835 a year—and a married man with two children £6,006. This estimate includes the loss of revenue, plus state benefits paid out—a total now running well over £10,000m, and rising. Mrs Thatcher shied away from this figure in the Commons. She did try, to her credit, answering the man-in-the-street question of why this money is not spent on job creation. But she used only the total of £2,400m paid out in benefits to explain that this would not be nearly enough to create so many jobs, and possibly might throw others out of work too.

The fact is that it is this cost of what the Exchequer fails to get in as

well as pay out that is driving up Government spending and borrowing. It is making the targets set last year in the Government's medium-term financial strategy unattainable—unless there is to be real, further deflation.

Who else has alternatives? The National Economic Development Office produced a list of industries in Britain that could expand. More than one Conservative reckons that it is time for the Government again to risk picking and backing winners. All our competitors do it while our Government talks about the free market and spends the money on unemployment. Can a policy of intervention be called expansion rather than inflation?

It is not as if this Government has much time left to get away from its remedy of taking bitter medicine. It now enters a period of critical scrutiny. The Budget, with its likely higher taxes on drinks and smokes can hardly fail to be unpopular. And, before the local elections, which have so far been scrutinized for what they might do to the Social Democrats, there could be real blows for the Tories.

The industrial worker, above all, will be hit in a big way by increases in council rents and charges for gas, electricity, telephone and rates. All will come in time for the union conferences and the boast now of wage moderation could then go out of the window.

No wonder Lord Thorneycroft was trying to restate a Tory claim for the centre ground. For all the catcalls this week, it has begun to look like the place where the voters might cut and run too.



Karl Schranz: a man who could win at downhill and slalom.

## Sportsview

# Putting the old skill back into skiing

Karl Schranz, probably the best skier the sport has produced since the British showed the Alpine countries what to do with their mountains at the turn of the century, is among the growing number of critics of the present condition of skiing. Unlike almost everyone else, however, he is no recent convert. Schranz raised his voice many years ago, long before the present spate of injuries raised questions about the virtual isolation of male downhill racers from the Slalom events. The women, it should be added in parentheses, have by and large remained true to the spirit of skiing and resisted, unhealthy specialisation.

"I warned Marc Hodler, the president of the International Ski Federation, way back in 1966," Schranz said. "They were changing the downhill courses into autobahns, so that technique came a poor second to the straight downhill thrash down the hill. You no longer had to think, to use your snowcraft, your mountaintop."

Soon, he said last week at St Anton, the cradle of not only

Alpine skiing but also of Schranz himself, we would be moving towards the kilometre lance if we were not careful—a reference to the track high up in the Italian Alps in the shadow of the Matterhorn, where speeds of 200 kph (120 mph) and more are achieved on a straight course at a terrifyingly steep angle. It must come near to free falling.

Schranz speaks with some authority, a man who gained his first international downhill victory at the age of 17 and his last 15 years later in 1972, when he won not only the challenging Hahnenkamm at Kitzbühel but also a second downhill on the same course within 24 hours. Altogether he reckons to have won 30 international races and about 45 altogether.

Add the races he failed to win and you could tremble that he was changing the downhill courses into autobahns, so that technique came a poor second to the straight downhill thrash down the hill. You no longer had to think, to use your snowcraft, your mountaintop."

capable of winning a slalom, too. There lies the secret.

Schranz, a welcoming Anglophile, maintains that the sport must get back to its former character, where a downhill would not ski like a cow through slalom gates and the slalom would not be daunted by straight running. "It would have to be step by step," he says, "because you can't change things overnight." It makes a mockery of the sport when a man can come in low down in both downhill and slalom (or giant slalom) and still do well in the combined, a competition based upon the two that yields lucrative World Cup points.

Some downhillers, he thought, would find the change almost impossible to make. Others would readily adapt. Given the time to train slalom. He was unwilling to point a finger, except in the case of Steve Podborski, a Canadian who has excelled in the downhill this year, helped admittedly by the fact that he has stayed in one piece where so many around him have had to encase some part of their body in plaster. Podborski, he felt,

was basically an accomplished skier who could thrive in a slalom with adequate preparation.

Schranz wants to see more curves introduced into downhill courses and slower flat sections, where "you would have to make the speed yourself". In spite of the qualities of modern suits, skis, helmets, boots, and so on, the speeds have not improved all that dramatically since the tail end of his career. The average now is about 106 kph against 100 kph in his day. But 6 per cent represents about seven seconds or more in a ski race. When you consider that a race can be won by the odd few hundredths of a second, seven seconds is a substantial advance on the clock.

Is it worth the risk? Schranz thinks emphatically not, particularly in view of the unhealthy consequences of training men solely for the limited technique required for downhill running. The technical standards would be bound to fall, and they have.

John Hennessy

# Another stunner from Moscow

Film makers don't come much more daring than Andrei Tarkovsky. His films, like *Andrei Rublev* and the space epic *Solaris*, are stunningly beautiful but what they are about has dumbfounded even the sharpest critics. The best that they can do is hazard an intelligent guess and say go and see it.

Tarkovsky is in London at the moment to launch his latest brain teaser, *Stalker*, which opened in London this week. While here he will give a lecture at the National Film Theatre tomorrow and visit Glasgow. Tarkovsky thinks that by looking for a meaning we are in danger of missing what his films are about.

"You shouldn't confuse two concepts," he said. "Understanding in the sense of scientific conception and understanding in the perception of a work of art. My pictures do not claim to require any deciphering. All I need is for my viewer to enter the world of my films, because art acts directly upon feelings."

"People see art as a charade and start deciphering its vulgar meaning. The purpose of art isn't to teach, nor to make people imitate. The purpose of art is to shake people. It should make people change and open up their spirituality, to prepare their soul for good."

"It is important to me what the viewers will grasp. What is important to me is that he should feel something. I must make him anxious, disturb him. Art is accessible to all people with a developed soul, not necessarily to people who are more or less educated, but to people who are spiritually richer."

That is all very well, but what about the critic, whose job it is to explain in words what a film is about? Tarkovsky smiled. "That's your business. It is our business to make films and yours to explain them. And that is why we are always grateful to you when you find things in our films that we hadn't found ourselves. A critic's view is a completely different point of view to ours and one which we can never share. It is better to see a film once than read about it ten times."

This artistic purity does not make friends among the Soviet authorities, who prefer a less ambiguous contribution. *Stalker*, for instance, is a fable about three men who enter a forbidden zone. They are a writer, a scientist and a guide, the stalker. They are searching for a room which will provide an answer to every question.

A political person might think

that the room was socialism and the stalker a Communist leader. A religious person might imagine that the stalker is an evangelist. But Tarkovsky denies that his film is allegorical.

"The idea is that the fate of man depends entirely upon himself. We are each responsible for everything. To believe in the future we must believe in ourselves. The stalker is someone who feels almost sick with this awareness, whose job it is to return people to faith in themselves."

It is not exactly the stuff of a box-office hit and in the USSR his films like *Mirror*, still showing in London, have been restricted to small, uncomfortable, suburban cinemas. When pressure from the West drew attention to this shabby treatment of Russia's most important film maker, Tarkovsky surprised everyone by saying that he could only make films like his in the Soviet Union.

His recent attempt to make a film in Italy confirmed him in his belief. *Homesickness* was to have been for RAI, the state television network, about a Russian who goes to Italy to study Renaissance art, but it was fouled up by money and bureaucracy troubles. "Whenever I make a film in Moscow they always get me all the money I need."

At the moment he is working on two other projects, a personal adaptation of Dostoevsky's *The Idiot*, which he calls "ungratifying work," and another film which he is keeping secret. As for the future in general, he is appropriately cryptic.

"My purpose is to preserve the level of Soviet cinema at whatever cost. Even if the people in charge of me are displeased with the way I work I will continue in defiance of them. I would like my pictures to have been distributed better. I make my films first and foremost for my fellow countrymen. If I could not do that it would be a tragedy for me and I will fight this in every way I can. "As for the future, I'm afraid even to talk about it, because I have a feeling, some kind of premonition, that I was born with a definite purpose. I do not know how all this will end or whether I will die without ever having realized my dreams. I cannot think of a concrete way of realizing my ambitions. I would like to die a decent person and if I did that, I would be thankful."

Nicholas Wapshott



Andrei Tarkovsky: cryptic. Photograph by David Jones

## Letter from Salisbury

# The edginess is still there

for the Salisbury constituency of Highfields, at which Mr Ian Smith, the President of the Rhodesian Front, harangued the white electorate in the language of UDI Rhodesia, the RF candidate only just scraped in to the House of Assembly ahead of an Independent.

But the whites appear edgy and are highly sensitive to change, particularly when it is a cosmetic adjustment involving the country's colonial past. The changing of Jameson Avenue—named after the infamous Chiristened Leader Starr Jameson, the trusted errand boy of Rhodes—to Samora Machel Avenue, and of Kingsway to Julius Nyerere Way, outraged whites, many of whom refuse to use the new names. They take little comfort from the fact that Speke, Liv-

ingstone, Gordon and Stanley have retained their place in the geography of Salisbury—although by all accounts of his character the greatest African explorer could well have gone the way of Dr Jameson.

The edginess shows in the speed at which a hot rumour whistles through the suburbs. Last month word spread that Mr Robert Mugabe, the Prime Minister, was in hospital after being shot by a vengeful Mr Edgar Tekere. The story went the rounds for some days and a later and more lurid version had it that Mr Tekere had been shot dead by Mr Mugabe's bodyguard while attempting to strangle the Prime Minister. Even though both men were later seen in

public, the rumour persisted for some days.

Integration at hotels which were previously able to impose a colour bar has resulted in some incidents, but blacks are tending to avoid such establishments as the pleasantly-situated Terrastane Hotel where young whites have beaten up interlopers at Friday night discotheques.

Mr John Coker, a black BBC producer, was seriously injured in one such assault late last year.

Salisbury is bisected from west to east by a railway line that divides the affluent, mainly-white suburbs of Belvedere, Avondale and Borrowdale to the north from the relative poverty of the black townships

of Highfield, Glen Norah and Harare.

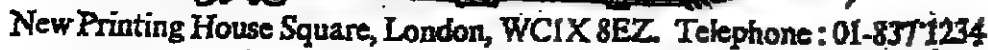
Although people in the townships have benefited financially since independence there is some disappointment that advancement has not been greater. Ironically, the departure of thousands of whites since independence has put an ever greater number of blacks out of work as many families employed more than one servant.

Still, there is buoyancy at Harare's St Peter's Church, where refugees from the rural areas sheltered during the war. Father Von Nida says: "We had a difficult time but that's in the past. The feeling I get from the people around here is that it is time to settle down to enjoy being Zimbabweans."

Through Salisbury's layers of bitterness and frustration it is possible to believe that such optimism is not without justification.

Stephen Taylor





7 Cherry Hinton Road,  
Cambridge.















THE TIMES  
BUSINESS NEWS

**Stock markets**  
FT 100 480.3 up 8.3  
FT 100 480.3 down 0.03

**Sterling**  
\$2.3440 up 35 points  
Index 103.8 down 0.3

**Dollar**  
Index 59.3 up 0.4  
DM 2.1387 down 93 pts

**Gold**  
\$502.50 up \$11

**Money**  
3 month sterling 13.1-13.2  
3 month Euro-S 17.1-17.2  
6 month Euro-S 17.1-17.2

Bill to clear way  
for public stake  
in BNOC likely  
next weekBy Nicholas Hirst  
Energy Correspondent

A Bill to allow the public to invest directly in state-owned interests in North Sea oil fields is expected to be introduced to Parliament next week.

It will give the Secretary of State for Energy powers both to offer shares in the government-owned British National Oil Corporation (BNOC), which was set up by Labour to safeguard the nation's North Sea oil interests, and to issue a loan to the public to invest in BNOC.

Some £500m worth of loan stock or "revenue bonds" are to be issued as soon as possible. Small denomination bonds will be available, probably through Post Offices, and National Savings Institutions to attract a wide cross-section of the public as possible.

Issuing of shares is more problematical. The revenue bonds were invented as a compromise to meet the Government's desire to raise funds to develop the state-owned oil industry, while avoiding the political and practical difficulties in offering shares in state industry controlling a vital strategic national resource. They confer no voting rights and leave government fully in control of the oil corporation.

An issue of shares, even a minority, involves a change in the nature of control. Government's ability to use BNOC as a tool to control the depletion of oil resources could be lessened. Once public money is invested, BNOC's board could be expected to have the rights of its shareholders being interfered with, if the Government were to ask it to act in any way which ran counter to its direct commercial interest.

As a result, the Bill will give the Secretary of State broad enabling powers to sell equity in the corporation. But there will be no limit on the amount that can be sold off, provided an acceptable scheme is produced.

It has been assumed in political circles that the enabling powers are merely a sop to backbench Conservative opinion which believed that the BNOC should never have been set up, and should be sold off to the public as fast as possible.

The chances are that no equity sale will be made in this Parliament, but detailed work has been done to allow it to take place.

BNOC's chairman, Shalbourne, believes this might be possible, although it is pointed out that it would depend on economic conditions and the state of the stock market.

At best, however, such a sale is two years away, putting it perilously close to the next election when it could be used as strong political capital by opposition parties. Should an equity sale go ahead, a 25 per cent stake is expected to be offered initially.

The Bill would end the National Oil Account, through which all revenues to and from the corporation have passed. BNOC would become a more conventional nationalised industry, with a mixture of public dividend capital and loan stocks—probably in equal proportions.

Government revenues from BNOC will come from payments of petroleum tax, the planned supplementary petroleum revenue tax and corporation tax, in line with payments from private sector companies.

Company's new president refutes speculation of run down in its British car production

## General Motors to invest £75m in Vauxhall

By Peter Waymark

General Motors reaffirmed yesterday that it had no intention of withdrawing from car and truck production in Britain. Its Vauxhall subsidiary will continue to build and sell vehicles and components "as far into the future as it can see".

Mr James McDonald, president of the General Motors American parent company, said in London yesterday.

Mr McDonald, who succeeded Mr Ellison as number two in the GM hierarchy on February 1, refuted speculation that GM might pull out of Britain or reduce Vauxhall to an assembly operation.

GM had put £105m into Vauxhall last year to cover losses, when GM itself made a record loss of more than £300m.

"If we were going to back out of the United Kingdom, then we would have to do so by now," he said.

Mr McDonald announced a £75m investment programme for Vauxhall over the next three years "to produce new products at every one of our manufacturing locations".

But he gave a warning that future investment must be based on the success of the United Kingdom operations and the support of all elements of the workforce. He said the return on investment and productivity at Vauxhall had been disappointing.

He confirmed that production of two Vauxhall cars would start in Britain this year: a new front-wheel drive medium saloon, code-named the J car, would be built at Luton, and the Astra, which so far has been imported from the Continent, at Ellesmere Port, Cheshire.

Mr McDonald would not specify the proportion of British content. Both cars were designed by Opel, GM's German subsidiary, and to start with are expected to use mainly German components, including engines and transmissions.

As other examples of GM investment in Britain, Mr

McDonald mentioned new truck assembly facilities at Dunstable, a new components plant at Belfast and tooling up for new or redesigned components at Southampton, Liverpool, Dunstable and London.

Vauxhall would continue to import certain cars and components, but there could be corresponding exports.

He said Vauxhall was building Chevettes at Ellesmere Port for export to West Germany, where they were sold by Opel dealers.

On the Bedford truck operation, Mr McDonald said: "We should be able to do a better job than we have been doing. We are looking to strengthen our dealer body and as we improve the efficiency of the organization in the United Kingdom the opportunities for Bedford are outstanding."

"We fully expect Vauxhall to continue to be a major part of our European operations and we have great expectations for significant growth in Britain."

He strongly welcomed the announcement by Nissan, the Japanese manufacturer, that it was looking at the possibility of making Datsun cars in Britain. "It has always been our policy to invest in markets where we are selling and we would rather compete against someone who is producing than shipping cars in," he said.

Mr McDonald praised the efforts of Sir Michael Edwards, chairman of BL, and added: "It is our hope that he makes such a success in the future that the company will become attractive for the private sector to take over again."

He said he expected the United States market to recover in the second half of the year and predicted total sales of 13 million cars and trucks, compared with 12.1 million in 1980.

He rejected the idea of quotas on Japanese car imports, which have been taking a quarter of the market, but thought

there should be a period of voluntary restraint to give American manufacturers a chance to revise their model ranges.

Mr McDonald: investment must be based on success of operations.

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US prime  
rates  
expected to  
fall soon

America's money supply has fallen again and this, together with a sharp fall in loan demand, is likely to push United States interest rates down.

Expectations of lower rates helped to push up share prices on the New York stock exchange. The Dow Jones average closed 5.34 points up at 932.30.

The Federal Reserve announced that M1A fell in the week to January 28 by \$3,300m, while M1B declined by \$2,600m.

The substantial reduction in loan demand is softening rates, and Morgan Guaranty Trust and other banks today cut their brokered loan rates to 18 1/2 per cent. A 19 per cent prime rate is likely to be seen soon.

Money supply figures once again are coinciding closely with other broad indicators of the economy's health and these strengthen the impression that economic activity is rapidly weakening.

Charterhouse chief

Mr John B. Hyde, who has been appointed chief executive and managing director of Charterhouse Japan, the merchant bank of the Charterhouse Group, Mr Hyde, who is 53, has been chief executive of Chemical Bank in London. He will replace Mr Derek Wilde as chairman on April 30.

Rolls-Royce funding

Rolls-Royce, the state owned engine manufacturer will reduce its cash requirements next year from its present limit of £200m, according to Mr Peter Molony its finance director.

US textiles talks

EEC Commission officials will open talks next week with officials of the new American Administration on the level of United States synthetic fibre and textile exports, which have become of serious concern to the Community.

Scotland exports coal

Scotland has started to export coal again after a lapse of many years. Three trial orders have been paid for next Wednesday. At the minimum tender price of £96 per tonne, the flat yield is 12.5 per cent and the gross yield to redemption 13.08 per cent.

Shops inquiry urged

The Retail Consortium has called for an independent inquiry into the operation of the Shops Act, covering Sunday trading and opening hours.

Alean UK move

Alean Aluminium, the Canadian aluminium producer, has offered the equivalent of 120p a share for the 22 per cent of Alean Aluminium (UK) it does not own.

SDR rate

The change value of the S against the SDR was 1.23839. The £ was 0.530133.

Canadian government loan clears  
way for Massey refinancingFrom Anthony Hilton  
New York, Feb 6

The future of Massey-Ferguson, which has been in doubt for the past six months, brightened considerably today when Mr Herb Gray, Canada's Minister for Industry, announced that the Canadian authorities had agreed to aid the stricken company.

The guarantee is expected to enable Massey to complete a refinancing deal totalling more than \$200m (£280m).

Although registered in Canada, the company employs almost 15,000 people in Britain at its Perkins diesel engine plant and the Ferguson Tractor manufacturing operation. Other plants, notably one in Kilmaronock, have already been closed.

Under the agreement outlined by Mr Gray, the federal government will provide the manufacturer of agricultural equipment with Can\$125m (£44m) and the provincial government in Ontario will inject a further Can\$75m (£26m) thereby meeting in full what the company has asked for.

In return, the company has agreed to give a new research and development plant in Canada in the next three years.

The cash injection takes the form of an equity guarantee and therefore makes it possible for new outside investors to put additional capital into the company at no risk. Massey-Ferguson has had talks with these potential outside investors for some months but has refused publicly to reveal their identities.

However the banks' financial advisers confirmed that it has been having talks with a number of Canadian financial institutions.

This aid is crucial to the survival of the company. Without it, the other aspects of the company's refinancing package would have collapsed.

Other parts of the rescue package, which have been settled already, include Can\$100m of debt converted into preferred shares and Can\$50m of new preferred shares bought by the Canadian Imperial Bank of Commerce.

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## PERSONAL INVESTMENT AND FINANCE

Working from home

## Put your insurers in the picture

A surprisingly large number of people work full-time from home. I have been doing so for nearly 20 years. Others have a sideline (you could almost call it a kind of "moonlighting"), which is carried on from home, in addition to a normal job.

If you work from home, whether full-time or part-time, there are a number of points to watch from the insurance point of view.

First, you should tell your household insurers, because they do not normally expect people to carry on a business from home. This does not necessarily mean that your premium will be increased. From the insurance point of view, it can often be beneficial for a householder to work from home. The house will not be empty for long periods during the day, and thus there will be less risk of a burglary.

Besides that, you probably have certain "tools of the trade", if only business equipment, and perhaps stock, which would not normally form the contents of a private house or flat. Let your insurers know about them, so that there will not be any claim problem.

If you have an "all risks" section in your policy for luggage and personal effects, you may want to have a portable cover for your liability can be extended to them.

Also, away from the house, your household policy probably covers your personal liability. Here again, you should check with your insurers that they are prepared to cover you for any liability when visiting clients or customers. Naturally, separate insurance will be needed to cover professional negligence of any kind. Equally, if your work is at all risky—such as using a blow-lamp on other people's premises—you will probably need a separate policy.

Watch the cover for liabilities. Remember that if you employ anybody—even on a part-time basis—the law requires you to have employer's liability insurance in force, with a minimum indemnity of £2m.

That is not as frightening as it sounds. Most insurers provide employer's liability insurance—to cover you for your legal liability for the death of, or personal injury to, employees—without imposing any limit at all. The cost, generally, is quite modest. If you have one or two part-time employees whose work is not hazardous your household insurers may be prepared to give this cover for nothing, or for no more than a nominal extra premium. Remember, however, that you need to obtain a certificate of insurance from the insurers. This should be displayed where employees can see it.

Your household contents policy probably covers you for your liability to others in your capacity as occupier of the house, but the insurers should be advised if clients, customers, suppliers and others will be coming to the house so that the cover for your liability can be extended to them.

Also, away from the house, your household policy probably covers your personal liability. Here again, you should check with your insurers that they are prepared to cover you for any liability when visiting clients or customers. Naturally, separate insurance will be needed to cover professional negligence of any kind. Equally, if your work is at all risky—such as using a blow-lamp on other people's premises—you will probably need a separate policy.

Finally, there is the question of your motor insurance policy. Normally, a policy will cover you when working on your own account—whether on a full-time or part-time basis—but a higher premium will have to be paid if you intend to use the car to solicit business. That phrase is difficult to interpret. If you think you could be a borderline case it would be as well to check with your insurers, giving them all the relevant details.

If the car is insured in your name, but your wife is in partnership with you, special arrangements will have to be made with the insurers for her to be able to use the car on business.

John Drummond

## How it can turn out in practice

Do you fancy working from home—spending that extra half hour in bed and enjoying unobstructed views?

Any who does it will tell you that it is not, in fact, a bed of roses—but it does have its advantages.

One person who knows what it is like is 35-year-old Carol Illingworth, who has worked full time from her flat in Maida Vale, London, for the past six years as a freelance books editor.

"To start with," Miss Illingworth says, "there is the discipline. Whether I am at home with an author, or out researching, I still work a nine-hour day."

That work includes editing, reading books and periodicals, meeting her contacts in the publishing industry and what she calls her "thinking" time.

It also pays, Miss Illingworth charges a flat fee for a particular project and, though she earns insufficient to need to register for value-added tax, she considers that she makes as much on average by freelancing from home as she would were she still in a publishing house as an employee.

True, the industry is not the highest payer in the land, but Miss Illingworth finds that working from home has several advantages. The first is freedom to pick her work and when she wants to do it.

The second is financial—and that does not mean those so-called income tax "advantages". When it comes to tax, she can claim only those expenses which are wholly and exclusively concerned with running her business.

As she points out, you have to pay your running expenses well before you get the money back.

She can claim for the large study from her bedroom, some light and heating and all her office equipment and furniture, shelving, books and periodicals—all of which are covered on the household insurance policy at no extra cost—and for part of the cost of running a modest car.

But that is not where the main financial advantages lie.

Indeed, as she must find the tax money a year after she has earned it, working on Schedule D has some disadvantages.

She puts money aside in a National Savings ordinary account, where the interest earned is tax-free up to the first £1,400, though she could do better by putting her savings elsewhere.

She keeps relevant bills in a shoe box, sorts them out periodically and then passes them to a "lucky" drawer to await the attention of her accountant.

The real advantages are far more personal. "For instance," she says, "I save up to two hours a day in travel. That means I save not only on fares, but gain the extra money I can make in that time."

Then there are clothes. Today's career girl, working from an office may spend several hundred pounds a year keeping up appearances and suffers if she does not, Miss Illingworth has a "social" wardrobe for meeting her contacts, but is content to dress in sweaters and old gardening



Miss Carol Illingworth: she enjoys the advantage of working from home.

trousers while working on her own from home. "That saves even more cash," she says.

The list continues. Just as working from home saves valuable time in which to earn money, so it allows equally valuable time for the domestic chores for which a busy books editor would otherwise have to pay.

Miss Illingworth does her own housework and gardening, saving her perhaps £500 a year on a "daily" and a part-time gardener.

Shopping was also a rush when she was working from an office and was often unbecomingly. Now she can pop out at 10.30, shop around, and get both the quality and the right price for the goods she buys.

Miss Illingworth does have one potential money problem—keeping her fees in line with inflation. But she says, "I just go to the shoe box, check last year's prices from the bills, compare them with this year's and adjust the fee accordingly."

There are, however, special rules which mean the exchange of money would be greater than the amount you might expect based on the total proportion of time spent in the property as your main residence.

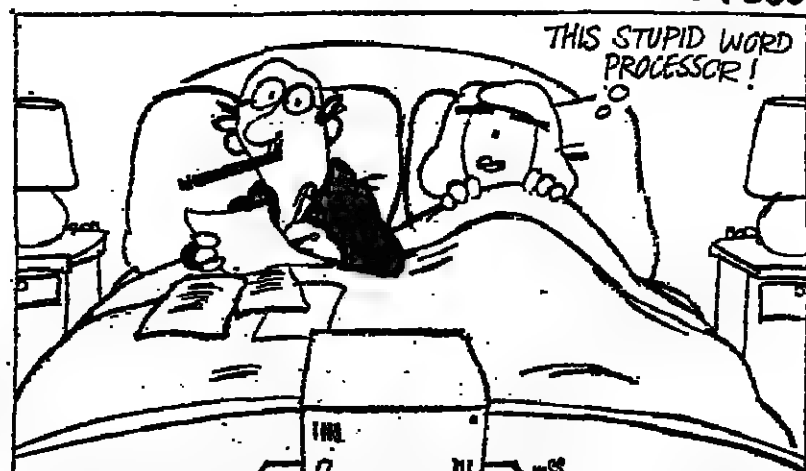
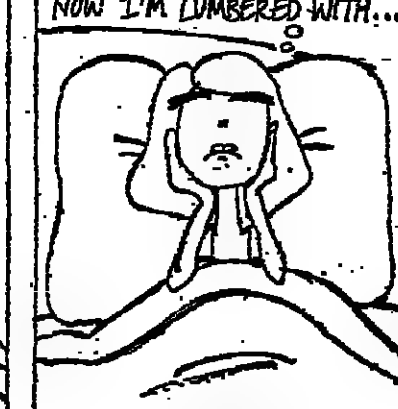
The last two years before the disposal of your main home are automatically included in the exempt portion.

For example, suppose you lived in a flat for a year, then

## HOFF of HEYBRIDGE HEATH

IT USED TO BE NICE &amp; RELAXING COMING TO BED EARLY...

AND WATCHING T.V. NOW I'M LUMBERED WITH...



BY ROSS

## Pensions

## Problem of catching up if you change jobs

Most company pension schemes nowadays relate your pension to your final salary—with a maximum of two thirds—at, or just before, retirement. In the last scheme you belong to before retirement this normally produces a satisfactory outcome.

But a problem arises over schemes which you join earlier in life but leave before retirement. The pension you get from that particular job is not based on your salary at the date of leaving, not on your salary at retirement.

Although the government has asked the Occupational Pensions Board (OPB) to investigate the pension problems of people who change jobs, the report is, unfortunately, not expected until later in the year. So, even if legislation does ensue, the time-table could well be something like a White Paper, or a bill, followed by legislation in 1983, leading to an effective date in 1985.

However, one school of thought has little sympathy with the early leaver and his pension problems, pointing out that the difficulty the OPB is grappling with arises from a confusion between rights and expectations. There are undoubtedly many people who expect to receive the same pension after working their way through several jobs as they would have got if they had stayed in one job, but this can hardly be called a right.

The opposing point of view

more sympathetically and more plausibly argues that greater mobility of labour is desirable, even inevitable, and unless those who retire from occupational pension schemes after a history of job changing draw higher pensions than they do at present then disengagement with such schemes will inevitably set in. The response cannot be laid at the door of individual employers or the pensions industry may be true, but it will not stem such disengagement.

Indeed, there is a growing band of people prepared to argue that there is no need to wait for the pensions board report since the solution to the problem of providing higher pensions for people who change jobs can be straight-forwardly steered clear of company pensions and place your trust in personal pension plans. Unfortunately, such plans also have some big snags if you compare them with a company pension scheme.

On the fact of it, you have to fund the entire cost of this type of pension arrangement by yourself, though someone who is employed (but not self-employed) might seek an agreement with his employer that his pay would be increased on the understanding that the increase would be spent in providing a pension.

A bigger snag arises on the benefits side, as there is no

guarantee on a personal pension plan that as you get older your pension will continue to bear a reasonable relation to your income just before retirement.

For example, take a man with an income of £12,000, buying himself a pension of two thirds of this amount, who sees inflation soar to 25 per cent a year before his retirement, with a corresponding rise in his income to £15,000. Besides the payments he may be already making to buy a pension of £8,000 (two thirds of £12,000) he now has to buy another £2,000 (two thirds of the extra £3,000), but he has to buy it all in his last year.

The cost of this extra £2,000 when he is a year off retirement is a real cost, on many things, but with present high rates of interest (and if inflation is running at 25 per cent it is probably fair to assume that rates of interest will be high) the extra cost could well be about £12,000—or much more if he also wants to provide for a widow or to provide for increases at, say, 3 per cent or 5 per cent a year during his retirement.

Thus the cost of trying to maintain his target pension steadily comes to more than his income in the last year of his personal pension plan, however, do not cater for contributions amounting to such a high percentage of income—the maximum tax relief allowed by the law is 17.5 per cent (of earnings). You may think

this is far-fetched, but try asking any self-employed person who was coming up to retirement in 1974 for a comment on this.

An alternative solution is in the new state pension scheme. It is, of course, true that the state scheme copes well with the issue of changing jobs, both in the flat rate part and in the new earnings-related element. But it has two big drawbacks.

The first snag is that it lacks flexibility, as any scheme providing benefits for 23 million people must do. The second is that the amount of pension provided is fairly low compared with company schemes.

Of course, in theory, the benefits under the state scheme could be increased, though they are unlikely ever to become significantly more flexible. In practice, any improvement tends to be welcomed by the 9 million or so who are not entitled to it, but it is markedly less popular with the 23 million or so who find themselves paying higher contributions to pay for the higher pensions, so dramatic improvements can probably be ruled out.

One option open to the Occupational Pensions Board is to recommend a code of practice to improve the pensions of people who change jobs. But the traditional objection to codes of practice is that they solve problems only for those who were inclined to solve them anyway and are unlikely to

move those who feel disinclined to do so. On balance, therefore, it seems more likely that it will recommend legislation, what sort of legislation?

It is vital to bear in mind that an employer is not compelled by law to provide a pension scheme at all for employees. If legislation attempted to force up the standards of pension provision for employers would undoubtedly react by closing down pension schemes altogether.

Indeed, this is exactly what happens in the United States when, no doubt for the sake of motives, an Act was passed with the intention of raising the level of pensions.

A likely outcome is that the board will recommend a code of practice to increase the pension for early leavers at a rate of, perhaps, 3 per cent a year. But, modest as it may seem, this is open to at least one objection. There is no requirement at present to increase the pensions of those in retirement. Given the pressure on their resources, which most employers suffering at present, legislation which compelled them to spend a large share of their resources on early leavers on pensioners could be hardly justified.

Mike Brov

## Taxation

## Capital gains when you let a property

If you own residential property which you let, you could save substantial capital gains tax by living in it as your main home—even for a short period. The rules, which were changed in 1980, are rather involved, though.

In principle, you are liable to capital gains tax when you sell a property which has been let, but the size of the liability depends on how long, if at all, you have lived in the house yourself.

If you rent the property throughout the whole period of ownership, then capital gains tax is payable on the total profit you make, although, of course, no account is taken of any gains which accrued before April 6, 1965, when capital gains tax was introduced. But if you let the property for part of the period of ownership and use it as your main residence for the rest of the time, then the gain is essentially apportioned between the taxable and exempt parts.

There are, however, special rules which mean the exempt portion would be greater than the amount you might expect based on the total proportion of time spent in the property as your main residence.

The last two years before the disposal of your main home are automatically included in the exempt portion. For example, suppose you lived in a flat for a year, then

rented it to somebody else for eight years and then sold it. The gain is worked out as follows: period occupied (one year) plus the last two years, divided by the total period of residence—in this case three divided by nine, is one third.

As a result, a third of the gain is exempt, even though you lived in the property yourself for only a ninth of the total period of ownership.

The position is even better if, during the period you rent the property to someone else, you are employed abroad.

Remember, if you sell an asset on which there is a potentially chargeable gain while you are employed abroad for a period spanning a complete tax year, you will almost certainly escape liability to capital gains tax in any case.

You can in fact let a property for up to three years at any time and enjoy the capital gains tax exemption for that period. But there are two important conditions. You must try to claim the main home residence gains exemption simultaneously for yet another property. Furthermore, you must have occupied the home at some time both before and after the period of absence.

Thus, if you live in a property for, let us say, three years and finally sell it, make sure that you use it as your main residence at some time within the last two years

or you may well find you have a capital gains tax liability on the final sale.

If you work away from home some time during the period within two years of returning to the United Kingdom (although you did not live in it),

"Employed" means just that: being self-employed abroad does not count and all your duties must be performed outside the United Kingdom. But this exemption applies only if you have lived in the property at some time.

All these extensions to the main residence exemption are essentially treated separately. This means that you can add them together and claim quite a long period of exemption.

For example, in 1971 you might have bought a property and lived in it as your main home; in 1972 and 1973 you let the property and lived in rented accommodation; in 1974 you took up a job abroad which lasted until 1977; in 1978 you then lived and were employed in another part of the United Kingdom; you lived in the property for just a year then moved out and rented it for two years before selling it.

The entire gain should be exempt from capital gains tax, even though you have only physically occupied the property for two out of the total of 12 years.

A further exemption was introduced in 1980. This is for owner-occupiers who rent or part of their homes who would still be liable to capital gains tax disposals made after April 1980, in spite of all the possible exemptions.

The property must be let for residential purposes only and the exemption is limited to £10,000. But it is an overriding provision in the exemption claimed through this route can only match amount of exemption anyway. So, for example, gain on a property is £20,000 of which £7,000 would be exempt and £13,000 the new exemption would give you a further free of taxation of £7,000.

Bear in mind that capital gains tax liability you may incur on a property based on the total sale exceeds less the costs of acquisition and any improvements you may have done. It is always worth keeping track of invoices for home improvements, even though the time you may believe possibilities of letting the property to be fairly remote.

Donby Bloch a Raymond Godfi

## Unit trust performance

The tables show the value on February 2 of £100 invested 12 months ago (A) and three years ago (B), income reinvested and based on offer-to-offer prices.

Figures supplied by Planned Savings, 150-152 Caledonian Road, London N1 9RD.

FINANCIAL	A	B
Henderson/Fin & ITU	157.8	229.1
Kleinwort Benson	140.6	140.6
M&G/Fin	146.6	177.6
Target/Invest Trust	129.8	175.7
Barclays/Unicorn	135.1	206.4
Britannia Prop Shares	132.4	183.2
Britannia Unit Fd Inv	132.4	168.1
Abey/Invest Tr Fd	131.6	131.6
Brown Shipley Fin	131.4	175.1
Hill Samuel/Financial	131.2	172.4
S&P/ITU	130.1	161.2
Prudential/Invest	130.8	152.3
Britannia Fin Secs	130.2	168.6
London Wall/Finance	129.3	165.9
Schlesinger/ITU	127.9	153.0
Nat West/Financial	126.0	156.8
S&P/Scottish	126.0	145.7
Schlesinger Prop Shrs	124.3	151.5
S&P/Financial	123.9	145.7
S&P/Internat	121.9	139.7
James Finlay Inv	121.8	165.0
Arbuthnot Fin & Prp	119.0	165.0
Fidelity Gilt & Fxd Inv	118.8	110.7
Abbey/Gilt & Fxd Inv	110.7	110.7
Target/Preference	110.6	115.2
Cabot Pref & Gilt	110.5	115.2
Target/Gilt Capital	110.4	112.2
Arbuthnot Preference	108.9	105.6
Chieftain Pref & Gilt	105.3	—

GROWTH	A	B
Arbuthnot Capital	146.2	177.8
Garmore British	140.0	179.9
Arbuthnot C & F Inv	134.0	128.3
Key Fixed Interest	130.0	99.4
Schlesinger Pref & Gt Inv	107.7	107.6
GT World Bond Fund	100.3	—
Abbey/Worldwide Bd	98.3	—

INCOME	A	B
Cabot Income	127.6	153.8
Income	120.8	149.5
Kleinwort Bens HY	118.1	—
Nat West/Income	116.3	135.4
Prudential Life/HY Inc	115.6	161.8
British Life Dividend	114.6	132.4
Stratford Say Bk/Inc	114.4	133.1
Truist Wagge/Inc	114.1	141.3
Discretionary	113.9	155.1
A-Hamro/Regu Inc	113.1	138.5
Anscher Inc Mily	112.1	105.1
L&C Income	111.6	134.0
Fidelity Growth & Inc	111.1	110.0
Equity & Lat Inc	110.4	124.4
Brown Shipley Income	110.1	157.8
S&P/Income	110.0	116.0
Arbuthnot High Yld	110.1	111.5
British Life Income	109.7	117.7
Cabot Smaller Cos Div	109.0	124.1
James Finlay High Inc	108.6	116.6
Key Income	108.4	109.1
Equity & Lat Inc	108.1	117.7
Prudential Income	108.3	122.3
GT Four Years Fund	107.7	107.8
Fidelity Income	107.7	129.1
Ridgfield Income	107.1	121.1
Franklin Income	107.6	131.3
Great Winchester	107.3	109.2
Midland Drayton Inc	107.3	109.2
Prudential Income	107.1	121.1
Carr Selig Income	107.0	119.3
Barclays Income	106.8	133.9
Middle Mount H Inc	106.8	—
Equity & Lat Inc	106.8	122.2
S&P/Income	106.8	119.4
Hill Samuel/Income	106.6	131.6
Schlesinger Income	106.5	124.5
Britannia C & Gwth	106.0	122.4
Royal Trust Income	105.9	116.8
Barclays/Unicn Exr	105.9	125.8
Mutual/High Yield	105.8	112.3
Rowan High Yield	105.3	113.7
Garmore Income	105.2	127.7
S&P/High Yield	105.2	111.1
Perpetual Income	104.9	—
Matual/Income	104.5	124.3
Pearl Income	104.4	128.3
Mayflower Income	104.4	110.8
Truist/Income	104.0	115.9
Arbuthnot Extra Inc	103.9	108.7
Britannia Nat High Inc	103.8	118.1
Anthony Gibbs Int Brn	103.4	120.6
Tower Inc & Growth	103.7	111.7
Cabot Income	102.9	123.2
Cabot Extra Income	102.9	123.2
Crescent High Dist	102.5	116.1
S&P/Select Income	102.4	120.6
Midland Drayton HY	102.0	117.1
Archway Fund	102.0	116.8
Tyndall/Income	101.1	110.1
Grievson/Barr HY	101.0	113.4
New Court Income	101.0	115.8

W&G/Vanguard BY	100.5	113.7
Garmore High Inc	99.6	117.4
W&G/Target	99.6	109.0
Hill Samuel/High Y	99.6	107.9
Target/Income	99.4	103.9
Joyds Extra Income	99.0	114.2
W&G/Target	98.6	114.6
British Life Dividend	98.6	94.2
G&G/Conv Income	98.6	145.9
Garmore Extra Inc	98.2	—
Chelarton High Inc	98.2	106.5
G&G/High Income	97.4	120.2
Target/Extra Inc	97.2	105.5
W&G/Target	96.2	117.2
W&G/Target	96.2	117.2
W&G/High Return	95.7	106.9
W&G/Target	95.7	106.9
Rowan Stripling High Inc	95.1	102.3
Crown High Yield	95.0	108.1
W&G/Target	94.8	108.1
W&G/Target	93.8	112.2
Hambro/High Yield	93.8	110.9
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Edited by Margaret Stone

## Cost of a holiday accident

### Readers' Forum

This specialist readers' service has been compiled with the help of Ronald Irving, John Drummond and Tony Foreman

and reasonable and represents a legitimate business expense. (L&B, Manchester.)

Expenses incurred in travelling to the property to carry out maintenance should be allowable, but difficulties may arise if you carry out the repairs while you and your family stay at the villa on holiday. The travelling expenses may be wholly or partly disallowed if your visit is partly for private reasons. Moreover, you will not be permitted any deduction for the value of maintenance work carried out by yourself; that is, it is only the actual expenditure on material and labour and the like which qualifies for relief—not the notional cost which will be payable if you called in a builder and decorator to carry out the whole of the work.

Recently, under the auspices of a well-known tour company, my wife and I went on a 10-day sea-coast tour of France. The tourists were allowed to take one suitcase each which would be stored in the coach luggage compartment, plus a small hold-all to keep on the coach. Unfortunately, at the coach on Ostend quayside, only one of our two cases turned up. Now over two weeks later the missing case still has not been traced.

At the time of booking we paid an insurance fee to provide a cover for possible cancellation and curtailment of the holiday, medical expenses, personal accident and also loss of or damage to personal baggage and money. The insurance company is separate from the coach tour company. I note in the summary of conditions pertaining to the insurance of baggage there are various clauses which, I believe, could result in our not receiving any where near the replacement value of the missing case and its contents, depending on how rigorously the conditions can be and are applied in the event of our making a claim.

For instance, one condition is: "No one article shall be deemed of greater value than £100." It seems to me that the word "article" is used here to mean the case together with all its contents, or the case could be considered one article and each individual item in the case as another article. Also there is an exclusion condition which refers to the first £5 of each and every claim relating to confiscation, detention, wear, and tear and the like. Quite a lot of the case's contents were new for us to go on holiday.

Could you please say how we stand in the event of our case not turning up? (WJ, Dartford.)

It is, of course, too late to suggest that the local police should be contacted. We hope you did so, and that you advised the insurers without delay of the full circumstances.

Without knowing the contents of the master policy, we cannot give you a definitive reply on how you will stand. It is likely, however, that the £100 item limit applies to individual items within the case (for example, an item of jewelry, a camera, and the like), and it would seem as though the only deduction will be a single £5. Are you sure, however, that the insurance cover was adequate for the two cases, plus everything you were not wearing and carrying? If you were under-insured, a claim might be scaled down in the same proportion as the under-insurance.

Sadly, you will not be able to claim for the distress, discomfort, etc. due to the holiday being ruined. The insurance may be on a new-for-old basis (thus paying for the full cost of buying replacements new), but it is more likely that, for the item which was not new, some deduction will be made to allow for depreciation and the use which already you had enjoyed from the items.

My husband, who owns a small boat business in Spain, is owed nearly £900 by an English owner whose boat he delivered to Greece. Once the boat arrived safely, the owner refused to pay, chiefly because of what he chose to regard as about five or six days' delay, even though the estimate given to him clearly states "this estimate must be given on a daily basis due to existing and forecasted variable weather conditions". Having heard, on the radio, I think, that the costs involved make it pointless to try to recover debts of about £500 here, I wonder what you think our chances are of trying to fight for our money from Spain for a boat now in Greece? I feel very strongly that a wealthy boatowner should not be allowed to do this. (AIG Oxford.)

The legal merits of your husband's claim appear to be well founded, assuming that there is no substance in the owner's complaint. Accordingly, unless the delay was attributable to your husband's negligent seamanship or was otherwise avoidable, the owner will have no defence.

However, there are likely to be practical difficulties in bringing and enforcing the claim owing to the problem of jurisdiction. Assuming that

your husband can establish that it was agreed that the owner would send the money to your husband's Oxford address, it would be worth issuing a summons in the Oxford County Court. Alternatively, your husband could request a summons in the county court where the owner has his English address. As it is agreed (disputed) sum, payable under a contract, your husband should issue a default summons. The court office will provide the necessary form (called a "Request") on which your husband can enter his name as "Plaintiff". The fee on a claim for £900 is £29, plus £4 for service by the court bailiff.

If the owner has no address in England you will have to get the court registrar's directions for service of the summons abroad under county court rule no. 45. If you cannot pin down the owner for personal service, the registrar can order "substituted" service.

The advantage of a default summons is that your husband can apply for judgment on a simple form without a court hearing, should the owner fail to file a defence at the court within 14 days of being served. There are a number of ways you can enforce the judgment. If the owner has assets in the United Kingdom, you can levy execution on them. If he has a bank account, you can get the money from his bank by issuing a garnishee summons. If he has a house or land you get a charging order on it. To find out what assets he has you can summon him to court for oral examination as to his means. If he is abroad you can apply to freeze his assets in the United Kingdom, pending judgment.

If the boat comes back to England, it can be arrested. Under section 83 of the County Courts Act 1959 the court can issue a warrant for the arrest and detention of the vessel. You should also look at section 56 of that Act which covers claims in the nature of towage or by a member of the crew "up to £5,000".

The problems of enforcing an English judgment abroad and foreign judgments in England are dealt with under order 71 of the Supreme Court Practice. A judgment of the county court is not enforceable abroad. However, if your husband takes proceedings in the High Court that judgment will be enforceable in certain foreign countries, notably France, Italy, Belgium and West Germany and certain former Commonwealth countries also, but not Spain or Greece. (EEC regulations regarding reciprocity are not yet in force.)

The owner has substantial assets in Spain, it would be futile to take proceedings there. A judgment in a Spanish court is not enforceable in England because (as we have said) there is no reciprocity between Spain and the United Kingdom for the purpose of enforcing judgments. It is also extremely unlikely that a judgment of a Spanish court is recognized in Greece as a basis for attachment proceedings there.

# Now, from Framlington, an opportunity to invest in Convertible Loan Stocks and Gilts

1. THE AIM of Framlington Convertible and Gilt Trust is to combine high income with capital growth by investing in convertible loan stocks and government securities.

2. Convertible loan stocks come into their own in times of uncertainty. They represent a balance between investing for capital growth in ordinary shares and investing for high yields in safe but inflation-vulnerable fixed interest stocks.

A convertible loan stock is a fixed interest stock; but with the special feature that it bears rights for future conversion into ordinary shares on pre-arranged terms. This means that over and above the usually high and secure yield, there is potential for capital growth if the company concerned prospers.

3. Selecting convertible stocks requires experience and careful analysis. A unit trust with a managed and diversified portfolio is the ideal vehicle.

Until last year's Finance Act, such a trust was ruled out by tax disadvantages; but now, for the first time, it is possible to offer investors the opportunity of investing in a unit trust which will divide its funds between convertibles and government securities.

A unit trust investing in convertibles is new to the U.K., but it is not a new idea: certain Swiss banks run successful convertible bond funds.

4. Although initially a greater proportion may be in gilts, the ultimate mix of the portfolio is intended to be as follows:

50 per cent or so will be in convertibles with almost as good growth potential as the ordinary shares of those same companies. The yields on these would be lower than on the portfolio as a whole.

25 per cent will be in convertibles chosen for their yields, where the conversion options appear less valuable. These stocks can be regarded as low priced fixed interest securities, but with a long-shot chance of extra capital growth.

25 per cent will be in the highest-possible yielding government securities.

It is estimated that the annual gross yield will be about 10.1 per cent on the full initial offer price of 50p (that is, without allowing for the benefit of the initial bonus).

5. The price of units and the income from them can go down as well as up.

6. Unit trust investment should be regarded as long term.

7. The name Framlington has become synonymous with good investment management. Moreover, there are other features to this trust which prospective investors might like to consider.

Bonus offer The initial management charge is 5%. But applications received with cheques during the initial offer and until 31st March (or until the trust reaches £10 million if earlier) will be given a free bonus in the form of additional units on the following scale:

From £300 to £1,000: 1% bonus  
The next £4,000 : 2% bonus  
Excess over £5,000 : 3% bonus

Annual charge The annual charge will be only 1/4%+VAT.

Spread The spread between bid and offer prices, including 2% stamp duty, will normally be a maximum of 5% of the offer price.

Settlement When units are sold back, a cheque for the full bid value will normally be sent within 3 days of receipt of the renounced certificate.

8. Units in Framlington Convertible and Gilt Trust are available at the initial offer price of 50p each until 12 noon on Friday 27th February. The minimum investment is 600 units, which cost £300, to which bonus units would be added. After 27th February units will be available at the ruling offer price.

#### Other information

Applications will be acknowledged; certificates will be sent by the registrars, Lloyds Bank Limited, within 42 days.

Income net of basic rate tax is distributed to unitholders on 15th February and 15th August. The first distribution will be on 15th August 1981.

Units may be bought and sold daily. Prices and yields are published daily in leading newspapers.

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This offer is not open to residents of the Republic of Ireland.

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(Joint applicants should all sign and give details separately)

**FRAMLINGTON**

### Round-up

## A fresh batch of unit trusts

A spate of new unit trusts has been launched this week, three of them by Schroder Unit Trusts Managers. The new Schroder American, aiming for capital growth, will invest mainly in energy, advanced technology and health care stocks in the United States and Canada. The new Tokyo fund, also a growth trust, will invest mainly in manufacturing industries in Japan, particularly in new technology.

The third fund launched by Schroders, the unit trust arm of the investment and banking

group Schroders Ltd which has some £114m under management, is a Gilt and Fixed Interest Trust. This has an estimated gross starting yield of 12 per cent and aims chiefly at a high and substantial level of income.

Charges on these new trusts include a 5 per cent initial fee and 0.75 per cent. The minimum investment is £500 with an introductory discount of 1 per cent of the amount invested up to February 27.

● Rather than launching a pure gilt trust, Framlington Unit Management has brought out a Convertible and Gilt Trust, the first United Kingdom unit trust to invest substantially in convertible loan stock. This offers the investor the combination of the high yield available on gilts and some of the growth potential of ordinary shares.

The managers, who already have £44m of unit trusts under

their wing, envisage that the new fund, with an estimated gross yield of 10.1 per cent, will hold half its investments in low yielding convertibles with good capital growth prospects, a further quarter in high yielding counterparts to boost income and the remainder in gilts.

The minimum investment is £300 (with an initial bonus offer of between 1 per cent and 3 per cent extra units, depending on the size of the investment).

The initial charge is 5 per cent and there is an annual levy of 0.5 per cent.

● Another fixed interest unit trust with a difference is one from Mercury Fund Managers, a subsidiary of merchant bank S. C. Warburg & Co. Rather than concentrating on income, the Mercury Gilt Fund intends to maximise the total return, with protection of capital

values given prime consideration.

The charges on the fund differ from the usual structure in that there is no initial fee, but the annual charge is fairly high at 1 per cent. This reflects the managers' view that the amount investors pay in charges should depend on the length of time they invest in the fund. The minimum investment in this new trust is high at £2,500.

● Liberty Life Assurance has launched its 2-Year Plus Rising Income Bond, where the yield on the investment rises with the term. The bond has a maximum term of four years, but can be surrendered for the full value of the investment at the end of year two or three.

The bond offers a 11.2 per cent return, after basic rate tax, during the first two years, rising to 12.6 and 14 per cent respectively.

Chris Salnes, his one-time industrial colleague Mr Charles Mercalle, found himself calling publicly for money to save his company Norvic. Luckily for him and his 1,100-strong workforce, Barclay Bank dug into its ample pockets.

Christie-Tyler in furniture joined us with half-time losses and halved dividend, but Blundell-Permonage in paints maintained its dividend despite plunging prices.

Lombard raised profits from £78.2m to £119.1m for the year to last September, after three years of marking time, and the dividend went up a third.

Fears of a BOC cash call subsided after a City-broking lunch, while the decision to allow British Telecom to borrow directly from institutions gave a fillip to the whole electronics sector. It was seen as a sign that its heavy investment programme would go ahead to the benefit of its suppliers.

Half of British Aerospace is to be offered to investors and the prospectus was well received.

However, markets do not go up in a straight line. Once we get a cut in minimum lending rate we may for a few weeks have little but a dismal deluge of company news to ponder. All the same, I still suspect that those waiting for a big financial casualty like a Burmah Oil or Rolls-Royce will be disappointed.

Peter Wainwright

### Investor's week

## The real test is still to come

Gradually, it's spring. Oh, I know that frost in the shape of dismal annual profits and a dividend cut came from ICI on February 26 and an unseasonable blizzard of a Budget could blow on March 10. Obviously, the Budget is very early this year, suggesting that Sir Geoffrey Howe wants to start collecting heavier taxes as soon as possible; and he may want to do so because the Treasury has got its sums wrong yet again.

The gilt-edged market will be horrified if it learns that the Government wants to borrow more than £13,000m. Institutions would wilt before a barrage of gilt-edged stocks.

Yet this week the FT index rose from 466.3 to 480.3 and it is encouraging to recall that on January 14 it was as low as 446 (when the eminent were telling us to sell). A gain of nearly 8 per cent is, I admit, trivial—dealing costs are 8 per cent or more and who anyway gets his timing right?—but it points in the right direction.

All the same, it is a case of crocuses in early spring rather than chrysanthemums in late summer. The FT index of leading industrials is up 7 per cent, but the FT Actuaries All-Share index of 750 stocks is barely 4 per cent ahead. In other words, the big names have led the way, but most shares have yet to follow.

Daily business has picked up somewhat, but the latest figures to hand as I write—those for February 4—record equity turn-

### MAIN CHANGES OF THE WEEK

Year's High	Year's Low	Company	Change	Comments
119p	56p	BOC	9p to 119p	Broker's seminar
110p	50p	Grattan	6p to 74p	Bid gossip
99p	65p	Henleys	10p to 82p	Takeover talk
125p	115p	Lee Cooper	11p to 185p	Soviet order
220p	72p	Lombard	10p to 107p	Year's ligs
Falls				
89p	82p	Allied Brew	3p to 84p	Beer output, Budget fears
141p	70p	Avon Rubber	8p to 80p	Forecast loss
790p	413p	Electrocomp	27p to 643p	In sympathy with Unilever
198p	31p	ICL	10p to 37p	First qtr £20m loss
364p	195p	Unitech	24p to 226p	Poor forecast

over at only £127.5m. A year ago it was £154m.

Finally, the real test of shares has yet to come. Within weeks we shall be in the thick of companies telling us how badly they are doing and the figures they will report will almost certainly look bad. This time last year they were all doing well and it was only in the third quarter of last year that business fell off a cliff.

But the great thing about the past is that it is over. This week Mr Gordon Richardson, the Governor of the Bank of England, told us that the worst of the recession is behind us and we had hints from Mrs Thatcher that her Government was indeed mindful of the need to get the strong pound down against other currencies so that

businessmen could profitably compete with foreigners.

Most brokers see annual inflation in single figures by June or July and this week James Capel saw it at only 7 per cent by next December.

From here it is but a step to savour 14 per cent yields on gilt-edged and assume that ordinary shares will be pulled up after them. In time they will, but this week we have reminders not to get impatient. An electronics high flier, Unilever, admitted that its profits were actually shrinking and the shares plummeted. ICL, Britain's tiny computer answer to giant IBM, all but confessed that it was heading for £30m of losses this year. Answers to its financial problems did not seem obvious.

An old ally of financier Mr







## New time demand

Forward bargains are permitted on two previous days

[illegible]



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